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ABSTRACT

In 1970, boarding school enrollments were leveling off and inflationary tremors beginning to register in the financial seismographs of most schools. Recently, the school survival issue has begun to emerge as a subject for serious open debate and private speculation. This handbook advances the ideas that for shortrun survival, many schools will need to implement more effective use of existing resources; and that to prosper in the longrun, schools will need to change their present education modes and organization patterns. To those ends, this document addresses itself to describing more effective use of financial and human resources, providing an orderly approach to introducing changes geared to the needs and opportunities of individual schools, suggesting more creative avenues of group functioning, explaining the importance of exploring diverse alternatives before decisionmaking, and providing suggestions for improving educational and financial effectiveness. More specifically, the document material provides an 8-step plan for selecting, initiating, implementing, and evaluating a change program; discusses ways to make planning teams more responsive to the human environment; provides a method whereby an administrator can compare his expense pattern to the average independent school pattern; analyzes the nature and uses of program budgeting; suggests factors to be considered in developing and implementing a program budget; and provides decisionmaking bases for headmasters considering program budgeting adoption. (Author/JF)

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people planning & budgets

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INTRODUCTION

The Handbook:

In December of 1970, when the School Effectiveness Project began, boarding school enrollments were leveling off and inflationary tremors were beginning to register in the financial seismographs of most schools. At that time, survival was not a question for public discussion. Recently, however, the issue of school survival has begun to emerge as a subject for serious open debate and intense private speculation. The report of a project designed to discover and disseminate ways of making schools more educationally and financially effective should have things to say about survival. This handbook does, indeed, discuss survival but chiefly in the context of general school effectiveness. The handbook is based on the idea that to survive in the short run many schools will have to use their existing resources more effectively; and that to prosper in the long run many schools will probably have to change their present modes of education and organization. Some schools will change more extensively than others, but in each case the type of change must be determined by the special character of the individual school. This handbook describes ways of using financial and human resources more effectively and provides an orderly approach to introducing changes geared to the needs and opportunities of individual schools.

A further observation on the subject of general school effectiveness will suggest the tenor of the other four Chapters of the handbook. Headmasters and others associated with schools are currently receiving extensive advice about managing independent schools. Unfortunately some of that advice may make the problem worse in the long run. With the best of intentions, many trustees, parents, and "friends of the school" from the world of business are urging that the schools adopt tighter financial controls. These proposals need to be taken seriously and implemented. But when treasurers, controllers, vice presidents of finance, and others call for the school to tighten up and cut costs, they should be certain to underscore another important lesson derived from business experience. That is, during a period of contraction a business must resist the natural tendency to become conservative and stop exploring new markets, new forms of organization or new ways of producing its product less expensively. To promote greater exploration and inventiveness, during the present depressed period the handbook suggests ways of getting groups to function more creatively. In the same vein the handbook explains the importance of exploring diverse alternative courses of action before making decisions.

What the handbook does not do is lighten the load or materially simplify the job of the headmaster. Most of the major suggestions in the handbook depend to a large extent upon his capacity as a leader. He has to run a tight ship while encouraging the faculty to be more inventive and exploratory. He has to cut costs without violating the humanistic principles of the school. And he has to do all of this while maintaining a full daily schedule and planning for changes that should be completed or implemented two or three years later. By following the suggestions in the handbook, the headmaster may make some aspects of the school more systematic and orderly, and he may get more creative work from planning teams and committees. He may also be able to organize his time and his work more effectively. However, he must still supply the vision and the sense of institutional purpose that are absolutely essential for any school's survival and good health.

This introduction lays out the assumptions that underlie the handbook and the Project and explains the major Project activities. The rest of the chapters contain suggestions for improving educational and financial effectiveness. The two chapters on planning – the logical side and the human side – grow most directly out of the workshop phase of the Project. The two sections on budgets have developed subsequently, although much of the initial inquiry for the financial analysis chapter was based on information supplied by the twelve schools that participated in the summer workshop.

The School Effectiveness Project – A Brief Description

The Project began in the winter of 1970-71 with the charge to develop ways of improving school effectiveness. Although early discussions of the Project emphasized financial effectiveness, it was recognized that questions of educational effectiveness must inevitably figure into any discussion of changes in a school's financial operations. Thus the handbook deals with both financial and educational effectiveness, stressing the interdependency between them.

The Project staff worked closely with twelve schools, each of which sent a small team of faculty and administration to a two-week workshop in the summer of 1971. The schools were chosen, with the help of NAIS, to form a group broadly representative of all member schools.

Berkeley Institute, *Brooklyn, New York*
Blair Academy, *Blairstown, New Jersey*
*Ferry Hall School, *Lake Forest, Illinois*
Isidore Newman School, *New Orleans, Louisiana*
*Marlborough School, *Los Angeles, California*
*McCallie School, *Chattanooga, Tennessee*

*Moorestown Frieds School, *Moorestown, New Jersey*
*Park School, *Brookline, Massachusetts*
Potomac School, *McLean, Virginia*
*St. Paul's School, *Concord, New Hampshire*
William Penn Charter School, *Philadelphia, Pennsylvania*
University School, *Shaker Heights, Ohio*

In preparation for the workshop, all of the schools provided the Project staff with extensive data on their operations. Six of the schools (starred in the list above) were visited before the workshop, and these received reports of the visits.

During the workshop, the twelve teams were guided through a process of analysis, planning, and evaluation. At the same time, they participated in exercises designed to stimulate creative thinking and improved working relationships among team members. By the end of the workshop, each school had developed a plan for implementing a change once the team returned to school. Under the heading of budgeting and finance, participants discussed a number of case studies stressing the analysis of costs and alternative ways of aggregating these costs.

In the academic year following the workshop, Project staff have provided follow-up consultation to most of the twelve schools. The bulk of this follow-up work has been concerned with the implementation of plans developed during the summer.

The Project has had a range of different effects on different individuals and teams. Some remained essentially uninvolved during the summer workshop and have subsequently done little or no implementation of their plans. In contrast, other individuals and teams became thoroughly involved in the workshop activities and have successfully implemented their plans individually or as a team.

The Project did not involve any evaluation of the participating schools. Nevertheless, a number of participants and non-participants have raised the question of assessment and comparison between schools. Is there a test that gives a rating (or ratings) of the comparative effectiveness of individual schools? The Project staff searched in vain for such a test. The public schools, though under increasing pressure to measure their effectiveness, have failed to develop satisfactory assessment procedures. We did consider QUESTA,[1] an assessment questionnaire that has been used in a number of independent schools, several of which participated in the School Effectiveness Project. Unhappily QUESTA did not seem to meet our needs for assessing effectiveness either, and we had to conclude our search where it began: effectiveness remains a matter for each school to determine on its own. The planning sections of the handbook include some suggestions about establishing goals, planning to meet these goals and evaluating the extent to which the plan succeeded. And the section on budget analysis provides a school with a method for analyzing its own financial operations and describes some ways of comparing one school's pattern of expenditures with that of another. The Project has not, however, discovered objective, generalizable measures of a school's educational effectiveness.

[1]Questionnaire for Students, Teachers and Administrators developed by the Secondary School Research Program, Andover, Massachusetts.

The School Effectiveness Project: Guiding Assumptions

The following list of assumptions is included to suggest the general educational orientation of the Project. In making decisions and setting priorities, we found ourselves returning regularly to these beliefs about people, organizations and education:

1. Most schools contain a great many under-used resources in the form of money and people. Money is used for low-yield activities and people function at less than their maximum level of creativity and commitment. This has nothing to do with workloads; we are not assuming that teachers do not work hard – just that they have an underused capacity to develop better ways of teaching.

2. Plans and decisions are inherently better and more readily accepted if they develop from a review of varied alternatives. This development and review procedure should be standard with all planning and decision-making groups.

3. Similarly, participation in the decision-making process gives people a sense of effectiveness and encourages them to act responsibly. Thus, as a general rule, the more people who can share in making decisions – especially decisions about themselves – the better the outcomes. This is a particularly difficult principle to apply because it is not meant to imply that all decisions should be made by a group or that groups should vote or establish the "sense of the meeting" in arriving at decisions. The last part of the budget analysis chapter and the leadership section of the human side of planning chapter illustrate some applications of this general proposition.

4. The creative life of the school – in the sense of unusual, exploratory, challenging ideas about the form and character of the school – is profoundly influenced by a set of uncodified, implicit ground rules

about communication, initiative, teamwork, responsibility and so on. One of the jobs of the administration is to examine these ground rules to be sure they support the school's and the administration's purposes.

5. Whether the people in the school community are listless or energetic, indifferent or excited, creative or pedestrian, the lion's share of the responsibility lies with the administration. The administration can select, reinforce and reward creative people – or do the reverse.

6. The members of a school community are not inherently shy of taking initiative and assuming responsibility. In fact, they welcome these challenges as ways of realizing their own abilities.

7. Schools will need to explore a great many alternative ways of providing education in the next five years. While it may not now be clear exactly what altered course a school will follow, it is probably true that repeating the things that were successful ten years ago will not be effective. As preparation for later substantive changes, it is important for a school to encourage the faculty to explore alternatives to present practices and to develop habits of creative, cooperative problem solving.

What is the probability that independent education will indeed survive and prosper? Independent schools, like other private, human service institutions, stand at the threshold of a period of crisis – the depth of which is only beginning to become apparent. We do not profess to know what the role and character of independent schools will be during and after this period. At this point the precise definition of the role is less important than the ability of independent schools to create the role for themselves. What has become apparent in the course of the Project is the degree of resourcefulness, creativity and sheer staying power that independent schools can bring to bear in such times. One of the strongest conclusions from the Project is that the present crises of confidence and finance will indeed give rise to sound and creative solutions. Some of these solutions are already coming forward, and it is clear that they are only the beginning. If the current period of stress and uncertainty stimulates further experimentation and the exploration of alternative forms of independent education, the future of independent schools seems assured.

Davenport Plumer
Project Director
May 1972

PLANNING FOR CHANGE
THE LOGICAL ASPECT

INTRODUCTION

During the summer of 1971, the School Effectiveness Project worked with twelve independent schools to develop long and short-range plans for changes. The Project conducted a workshop prior to which each school selected a planning team – usually the headmaster, another administrator, and one or two teachers. The twelve teams followed a change planning guide similar to the one described in this chapter, selecting a change to initiate, developing plans to bring about that change, and planning for evaluation of the change. The planning guide in this section with its closely related companion piece "Planning for Change – The Human Aspect" made up the principal curriculum of the summer workshop. These two sections, taken together, constitute a summary of the major activities of the School Effectiveness Project. In concert they can help other schools to design a process of planned change which is both logically and psychologically sound.

This section proceeds in order through an eight-step planning guide.

Briefly stated, the steps are:

1. *Select an Issue (p. 5).*

The team identifies issues that presently concern the school community, and selects one as the starting point in its plans for change.

2. *Diagnose (p. 6).*

Using an analytic tool, force field analysis, the team describes the present situation and the desired future condition it is working to bring about, identifying forces that will promote the desired change and those that stand in its way.

3. *Check Coverage (p. 9).*

The force field analysis is augmented by a human dimension, the consideration of the feelings and reactions of all members of the school community.

4. *Choose Forces (p. 10).*

The Team selects forces to modify or reinforce.

5. *Develop Alternative Plans. (p. 10).*

Alternative plans are developed for achieving the desired condition by modifying or increasing the relevant forces selected in Step 4.

6. *Select a Plan (p. 12).*

Criteria for selection are agreed upon and the best plan is selected.

7. *Determine Action Steps (p. 13).*

Following a simple chart, the team plots out specific actors, actions, and timing.

8. *Evaluate (p. 14).*

The team devises an evaluation that will help it track the progress of the plan and its impact.

Each of the steps consists of directions to the school's planning team, followed by illustrative material drawn largely from the Project. We suggest that the team leader, and its members read thoroughly both this and the following section before they start the planning process. Whoever sets up the team will want to pay special attention to the discussion of team membership in the section on the human aspect.

At the summer workshop, each team spent the bulk of its time – at least sixty hours – developing its plan. The teams were "coached" by the workshop staff in large group sessions and in individual consultations. A team working without outside help and following the planning guide presented here might develop a plan in a shorter time. However an inexperienced team should resist the temptation to rush through the process. An experienced trainer who has used the guide before would be helpful but is not absolutely necessary. Such a trainer could give advice about the planning process and help discuss issues related to the efficient and sensitive functioning of the team.

All of the teams in the summer workshop made constant use of chalkboards, newsprint, and ditto masters. Writing out suggestions helps a team to keep in contact with all the ideas it has generated. In brainstorming sessions especially (see below for an explanation of brainstorming), it is useful to have one person elicit ideas and another record them in front of the whole team.

STEP 1: *Select an Issue*

1. *Identify issues.*
2. *Who is bothered or excited by these issues?*
3. *Discuss scale, relative importance, potential for success, and visibility of these issues.*
4. *Select one issue.*

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1. *Identify issues*

Some issues reflect minor problems, others major crises that face the school community. Still others represent opportunities to capitalize on. No school lacks for issues that demand planned solutions. Ultimately, of course, all of the key issues facing a school must be attended to. However, as a practical matter, a planning team must single out one issue from the many that compete for its attention.

The twelve SEP teams in the summer workshop selected issues in a variety of ways. One school had been mandated by its board to investigate a 13th and 14th year program. On one team, the principal of a lower school wanted help developing a plan to change grading and reporting procedures. Two other teams came to the summer workshop to develop plans for further coordination between their schools. In some cases, the issues chosen by the teams originated in problems that had previously defied solution; in others, the team was responding to creative suggestions from members of the school community. A common theme underlying a number of plans was declining enrollment. We will explore this theme further as we move through the eight steps.

2. *Who is bothered or excited by these issues?*
Most of the teams in the summer workshop debated several important issues before selecting one as their focus. A first step in the selection was to determine whether the issues concerned more than one person or group in the school community. The team approach followed in the workshop and recommended in this handbook is best suited to broader concerns. Issues that are limited to a single individual or a small group may best be left in the hands of the headmaster or another individual.

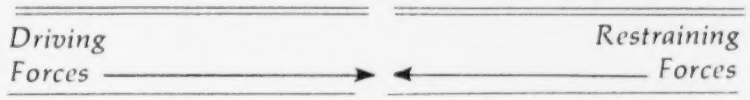
3. *Discuss scale, relative importance, potential for success, and visibility*
A team can also use several other criteria to help select its initial issue: scale, relative importance, potential for success, and visibility. When first formed, planning teams sometimes err in choosing an issue that is so large or complex that failure is virtually guaranteed On the other hand, an issue should be important and visible enough to arouse the creativity and energy of the team members, and to excite the interest of the school community. Once a team has experienced success, it will be better equipped to tackle more complex issues.

4. *Select an Issue*
In selecting an issue, take plenty of time. Selecting the right issue may require extensive debate within the team and perhaps consultation with people outside the team. Do not, however, let the apparent need for a precise statement of the issue delay the team. The issue will probably be restated later in the planning process as the team members pursue their analysis of it.

Another Method for Selecting Issues
The first stage in selecting an issue, as outlined above, starts the planning process firmly in the present by identifying present needs, problems, or opportunities. But a team can also undertake the planning process "in the future." One method, which we call "futures planning," begins with the writing of future scenarios – brief pictures of a desired future for the school, ten or fifteen years hence. The scenarios are translated into goal statements, and the team then decides on events in the more immediate future, say three years hence, that the team can bring about through its efforts, and that will contribute to the achievement of the goals the team has identified. The advantage of this approach is that it establishes an explicit tie between present actions and desired future outcomes. Because of its complexity this approach does require outside help.*

STEP 2: *Diagnose: Force Field Analysis*

1. *State the present condition.*
2. *State the desired condition.*
3. *Brainstorm about forces that tend to alter the present condition. Driving forces move toward the desired condition. Restraining forces maintain the present condition. Array these forces on chalkboard or newsprint.*



1 & 2 *(state the Present & Desired Conditions)*
Stating the present condition clearly and adequately is tricky. The team will want to experiment with several "levels" of statement, avoiding, on the one hand, an overly-minute statement and, on the other hand, an overly-abstract or general statement. The same holds true for the statement of the desired condition.

*Westerhoff, John H., and George B. Thomas. Futures Planning for Educational Change. Washington, D.C.: National Education Association, Center for Human Relations (in press).

Here are some examples from the workshop.

PRESENT CONDITION	DESIRED CONDITION
1. Our enrollment has dropped 15% in the last 3 years.	We want to stabilize the school at 20% reduced enrollment.
2. We have begun to introduce the integrated day in the first two grades.	We want to introduce the integrated day in three more grades with emphasis on gaining parent acceptance.
3. We have begun coordinating our two schools in some courses and activities.	We want to complete coordination and achieve faculty, board, and parent support by the end of this academic year.
4. We recognize that the faculty as a whole has not been participating creatively in shaping the policies of the school.	By a year from now we want to have the faculty making alternative proposals about some future directions of the school.

Below are examples that show how present and desired conditions stemming from a decline in enrollment can be stated on several different levels of generality.

PRESENT CONDITION	DESIRED CONDITION
1. Ineffective Admission Director.	Effective Admissions Director.
2. Enrollment has declined 5% a year for three years.	Reverse the trend in one year, returning to enrollment level of two years ago.
3. Increasing deficit, starting three years ago.	Balance books at the end of the next fiscal year.

The first pair of present and desired conditions focuses narrowly on a single factor: the performance of one person in the school. The team may eventually choose to define its problem this narrowly, but should first try to restate the conditions to include a broader range of causal factors.

The second pair of conditions includes not only the performance of the admissions director, but also the school's market, tuition costs, curriculum offerings, and so forth. A plan that takes some or all of these factors into account will generally be more effective than one which focuses narrowly on one person's performance. Even a first-rate admissions director will have trouble meeting his goals if the quality of the school's faculty has materially declined, or if unemployment in the school's area has reduced the number of parents able to pay the tuition.

The third pair of statements opens up an even more inclusive area of discussion — the entire financial position of the school. Even if the admissions director is replaced, and the faculty revivified, there may be no general improvement without new policies for investment of the school's endowment, a major fund drive, or carefully planned cost-cutting in all areas of the school's budget.

There is no easy rule to guide a team in choosing the most appropriate level for dealing with the issue it has selected. The most useful procedure is often simply trial-and-error. No matter which level the team selects initially, there is nothing final about it. At any point in the planning process, the team can return to the statements of present or desired condition to make them more or less inclusive. Because it maintains the team's momentum and focus, this is a better procedure than exhaustive discussion aimed at reaching final resolution at this stage in the process.

Nevertheless it is important to state the desired condition in terms that are objective and concrete — even though the statement of the desired condition may be altered later. No matter whether the desired condition refers to human beings, buildings, or budgets, it must be stated in terms of observable, concrete events that will occur by a certain time. Otherwise, the team will not know precisely what resources are required, whether the preferred approach can really do the job, whether the plan, once initiated, is on time and on target, or whether in the end the plan has accomplished its objectives. The participants in the summer workshop made the point repeatedly that there are legitimate and important educational goals that cannot be stated in these terms and that must be treated differently in planning. This is certainly true. In general, however, it is better to try stating the goals of the plan in behavioral and even quantifiable terms and then backing off if this seems impossible rather than simply assuming that a particular objective cannot or should not be stated behaviorally. This issue will be discussed in relation to evaluation in the last step.

3. *Brainstorm*

The next step in the force field analysis is to display driving and restraining forces — that is, those forces which increase or reduce the likelihood of achieving the desired condition. This force field exercise helps the team concentrate on what to do about the issue it has selected. Forces are various: individual or group interests, history, costs, school policies, and legal requirements. The best procedure to follow in developing a list of forces is to "brainstorm," with one member of the team eliciting ideas from the others, and another recording them. The leader should not allow the group to judge each other's ideas during brainstorming. (See p. 22 for a thorough description of brainstorming.)

Below are three brief force field analyses, corresponding to the three pairs of statements of present and desired conditions above. These three statements of the forces involved illustrate the limitations inherent in certain ways of seeing a problem. They are not recommended solutions to the problem itself.

PRESENT CONDITION Ineffective Admissions Director	DESIRED CONDITION Effective Admissions Director
Driving Forces →	← *Restraining Forces*
General concern with present condition	Hiring "freeze" because of increasing deficit
Applications from several individuals seeking position as Admissions Director	Present Admissions Director is a close friend of several trustees
Evidence that present Admissions Director alienates applicants	Present Admissions Director has been at school ten years
Present Admissions Director refuses to change procedures	Present Admissions Director refuses to change procedures

In this case, the narrowly focused statements of present and desired conditions generate correspondingly narrow forces. The forces displayed may be quite real, but they fail to include many potentially important factors: the school's market and image, competition with other schools, the school's admissions policy, and so forth. Before we move to the next, more inclusive force field, note that the last pair of forces is identical. In this case the team that generated the force field could not decide which side the force belonged on and temporarily put it on both sides. At this stage in the force field analysis, the important thing is finding the appropriate level of statement, not absolute and final accuracy in the description of every driving and restraining force.

PRESENT CONDITION Enrollment has declined 5% a year for three years.	DESIRED CONDITION Reverse trend in one year, returning to enrollment of two years ago.
Driving Forces →	← *Restraining Forces*
General concern with present condition	Hiring "freeze" because of increasing deficit
Application from several individuals seeking position as Admissions Director	Present Admissions Director is a close friend of several trustees
Evidence that present Admissions Director alienates applicants	Present Admissions Director has been at school ten years
Present Admissions Director refuses to change procedures	Present Admissions Director refuses to change procedures
School is talking about developing a major new program in the arts	Ineffective Admissions Director
A faculty member has developed an inventive advertising program	Local public school curricula are improving
Major drug problems in other local schools	Faculty demands for more selective admissions are mounting
School community is convinced of the urgency of the situation	Board unwilling to consider coeducation in any form
Headmaster is a proven salesman	New applicants insisting on coeducation and open campus policy
	General economic depression
	Admissions office is drab
	Unclear and inconsistent recruiting procedures

More inclusive statements allow the consideration of many more factors. Note that the performance of the present Admissions Director is now listed as a restraining force. Although some team members may see the next-to-last restraining force as trivial, the ground rules of brainstorming insist that any idea be recorded at this point.

Driving Forces →	← *Restraining Forces*
Major drug problems in other local schools	New applicants insisting on coeducation and open campus policy
School community is convinced of the urgency of the situation	General economic depression
Headmaster is a proven salesman of the school	Admissions office is drab
Board beginning to consider major fund drive	Unclear and inconsistent recruiting procedures
Headmaster willing to change faculty-student ratio	Enrollment has declined 5% a year for three years
Other schools have succeeded in trimming budgets	Faculty resistance to changing present faculty-student ratio
A new dietician and grounds-keeper are convinced they can cut costs	Rising costs
The local community is wealthy	Business manager convinced that there is no fat in budget
	Headmaster has never involved faculty, or other administrators in budget preparation or review
	Tuition charge seems to be at its upper limit
	Poor record of alumni giving

By now, the force field has become so inclusive that it must seem overwhelming. Given sufficient time, and broad enough statements, a team can generate forces *ad infinitum*, from the trivial – the drab admissions offices – to the ineffable – the general condition of the economy. At this stage, such a proliferation of forces is desirable and healthy. However, once the forces are arrayed the team must narrow its focus, establishing the relative importance of each force, and deciding which forces they should modify or increase.

STEP 3: *Check Coverage*

1. *Poll individual team members on feelings that should be represented in the force field display.*
2. *Check force field display to make sure it includes the feelings of all relevant groups in the school community.*

1. *The feelings of individual team members*

Throughout the planning process — and, for that matter, throughout the lifetime of the team — it will be necessary to insure that the feelings and opinions of all team members are adequately represented. The objective of the team leader in this step should be to check the team to be sure that their feelings about the issue and the evolving plan are adequately represented in the force field display. This will be especially important to do if the team is composed of key people whose feelings and attitudes could be highly influential in promoting or defeating the plan. Ideally, of course, the atmosphere and ground rules of the team have been such that the team members have felt free to voice their feelings and attitudes prior to this formal step. In reality, this kind of openness and trust is slow in developing and the leader may have to ask direct questions like, "what attitudes do you (I) have, pro or con, that ought to be represented in the force field display?"

2. *Feelings and attitudes of groups in the community*

Part of the reason for operating with a team is so team members can represent and anticipate feelings and attitudes of other groups and individuals who will be affected by the plan. In fact, whenever possible the planning team should include from the groups that will be most affected by the plan. In many cases team members will be able to speak with authority for others in the community. Sometimes, however, team members will have to make a point of discussing the issue or some aspect of the plan with specific groups and individuals. This kind of informal sampling takes time but pays significant dividends in terms of easier acceptance and smoother implementation. (The section on the human side of planning discusses this point at greater length and should be read before a team actually begins sampling opinions.)

STEP 4: *Choose Forces to Modify or Reinforce*

1. *Develop criteria that will enable the team to select forces to modify or reinforce*
2. *Apply these criteria; choose forces to modify or* reinforce.

1. & 2. *Develop and apply criteria*

At this point, the team begins to shift from diagnosis to action planning. Steps one, two and three have helped the team display and analyze the issues, decide upon desirable future conditions, and indicate some of the forces that will help and hinder the attainment of those conditions. Since all people concerned with change tend to move too quickly into solutions, the first three steps deliberately encourage patient and thorough diagnosis before action is planned. Now the team must choose forces that it can actively seek to modify or reinforce.

Some criteria for deciding whether or not to work on a particular force include the following:

a) highly representative of the feelings of many members of the school community;
b) easily accessible to the team, i.e., the team itself can bring about a change;
c) low dollar cost;
d) minimum necessity for outside assistance;
e) high probability of success.

A matrix constructed to match criteria and forces may be useful if the team has generated many forces. Below is the beginning of such a matrix using some of the forces cited in Step 2. Each criterion is graded from 1 to 5. (1 = highly representative, easily accessible, low cost, etc. 5 = not representative, not accessible, high cost, etc. N.A. = not applicable.)

FORCES	*CRITERIA*				
	a	b	c	d	e
Reinforce general concern	1	1	1	1	1
Modify friendships of present director	5	5	N.A.	N.A.	5
Alter general economic depression	N.A.	5	N.A.	N.A.	5
Reinforce interest in new arts program	2	2	5	4	4
Change drab admissions office	5	2	2	1	1
Alter unclear recruiting procedures	3	3	1	2	1
Improve alumni giving	4	4	3	3	3

Gradually, some forces will emerge as accessible to the team's influence, relatively inexpensive, and with a high likelihood of success. These forces will form the backbone of a plan for action. As a general rule the plan should deal with a limited number of forces, perhaps half a dozen, including some driving and some restraining forces.

STEP 5: *Develop Alternative Plans*

1. *Develop a list of* wants *and* musts *to guide the creation of alternative plans. A must is an outcome which the plan must produce in order to be acceptable. A want is a desirable though not absolutely essential outcome. A plan which produces all of the must outcomes and most of the wants will be selected ahead of one that produces fewer of both outcomes.*
2. *Collect the guiding information generated thus far: (a) the relevant statement of present and desired conditions, (b) the list of forces to be modified or reinforced, (c) other crucial information not covered thus far but considered to have a bearing on the creation and selection of a plan.*
3. *Develop alternative plans. These can be done by individuals, committees, or people outside the school — or all three. The point here is to explore diverse ways of getting to a commonly accepted goal or desired condition.*

1. *Develop a list of wants and musts*

At this point the team must decide exactly how it wants to achieve its desired condition. Some of these decisions have already been made as the team selected which forces from the total force field it wished to alter. These decisions may need to be collected and reviewed at this point as in number two above. At this stage other considerations may have come to the surface. The vehicle of the wants and musts checklist allows the team to use these considerations in judging which of several alternative plans is best suited for achieving the desired condition.

For some examples of typical wants and musts, recall the second desired condition in Step 2: "Reverse the trend (of declining enrollments) in one year, returning to the enrollment level of two years ago." With this as its goal, the team must decide, for example, what it will accept as a cost for achieving the goal. Similarly, it must decide upon acceptable answers to such questions as: to what extent will outside help be required, what will be the extent of the headmaster's involvement, or what effects must *not* result from achieving the main objective or desired condition (e.g., must *not* change tuition or scholarship levels; must *not* alter present ratio of day and boarding students; or must *not* alter the school's present image.) The team then assigns each of these conditions to want (desirable but not essential) and must (absolutely essential) categories. The resulting list is used to assess alternative plans for achieving the desired condition.

3. *Develop Alternative Plans*

Below are three skeleton plans for improving enrollment followed by a list of wants and musts to be used in assessing and comparing the plans. All three plans are based on the force field analysis for this condition. It is important to note that a fully developed plan should contain extensive financial documentation. While this documentation can often be derived from conventional line item budgets, it is more likely to arise from a program budget in which costs are routinely aggragated by division of the school, by subject matter, and/or by grade. (Refer to the handbook section Program Budgeting for Independent Schools for a full discussion of uses of program budgeting.)

PLAN 1

The first plan elects to replace the admissions director despite his ties to some trustees. In addition, the school will begin advertising, using its own copy and contacts; and the headmaster will begin inviting groups to use the school — the boy and girl scouts, local high school dramatic clubs. He will speak to alumni and other groups who bring together prospective candidates. Finally, the admissions office and admissions literature will be dressed up at a cost of about $20,000.

PLAN 2

This plan keeps the present admissions director but hires a consulting firm for $18,500 to work with him. Much greater emphasis is placed upon changing the conditions within the school which are alleged to be depressing applications, i.e., move toward open campus and more flexible curricula. Part of the total cost of this plan is allocated to travel by the headmaster and several students who exemplify the school at its best. Finally, the admissions office is relocated and redecorated, and the admissions literature is modernized. Total cost: $30,000.

PLAN 3

The third plan begins with the creation of an ad hoc student/faculty committee on admissions and recruitment. The committee is given a budget of $5,000 to spend improving the school's admission situation. At the same time the headmaster doubles the number of his outside speaking engagements, half of the increase going to local service and educational organizations and half to evening recruiting meetings arranged by graduates and friends of the school. Finally, the headmaster hires a clipping service to send him clippings about any kind of disturbance in the high schools of ten selected towns where parents are likely to be able to afford the school's tuition. The clippings serve as guides to the headmaster in planning speaking engagements and stimulating alumni recruiting activities.

In outline form the wants and musts checklist can be organized as follows:

MUSTS	*PLANS*	*WANTS*	*PLANS*
1. Cost must be no greater than $30,000	1. $20,000 2. $30,000 3. $18,500		
2. No more than 15% of the headmaster's time will be required.	1. 15% 2. 05% 3. 15%		
		3. Should serve to unite the school community	1. – 2. 0 3. +
4. Must not change tuition or scholarship levels.	1. o.k. 2. o.k. 3. o.k.		
		5. Should not alter ratios of day & boarding students	1. no guarantee 2. " 3. "
		6. Should not alter school's present image with graduates.	1. no change 2. must change it to succeed 3. may change

STEP 6: *Select A Plan*

1. *Present each plan, with supporting evidence.*
2. *Select a plan.*
3. *Discuss the types of strategy implied in such a plan.*

1. *Present each plan, with supporting evidence*

At this point, the team may wish to invite other members of the school community in to help in the selection process. If the headmaster is not part of the team, his presence during the presentation and selection process may be indispensable. Similarly, if it is becoming apparent that any plan will involve review and approval of the board of trustees, the chairman should be consulted. This process can take some time — particularly if the competing options involve detailed financial calculations. If the alternatives are complex, it will be important for each plan to be presented with full documentation as to dollar cost and time. In short, this step should not be rushed. Otherwise a plan may be selected on the basis of insufficient information and may have to be considerably changed later.

2. *Select a plan*

Occasionally a single plan will be clearly superior to the others and the choice will be clear. Often, however, a reasonably sound plan can be improved by adding details and ideas from other plans. One caution: the team should be certain that the people who will have to carry out the plan on a day-to-day basis (e.g., the business manager, the admissions director, secretaries, and so on) understand and have a chance to comment on and modify the final version in this preliminary form. This will be a key step in building support for and understanding of the plan.

3. *Decide upon the strategies to be used in implementing the plan*

"Well now that we have decided to replace John (the admissions director), you can just tell his friends on the Board, and that will be that," said a member of the planning team to the headmaster.

"Wait a minute, slow down," the headmaster replied. "In the first place, please remember that in the final analysis the team does not decide anything. You certainly have a very strong vote, but in anything as major as this, I will have to defend and take responsibility for the decision — not the team. You are an advisory group — a good one, I'll grant you, but still advisory.

"Now, can we consider some other approaches besides simply bulldozing through?"

The headmaster has made some crucial points that cannot be repeated emphatically enough: no matter how gifted, powerful, or sincere the planning team may be, it does not have decision-making authority. This should be clear to the members of the team when they begin their work. The headmaster has also suggested that for every action step in the plan, there may be several alternate strategies. For example, one of the pressures on the team we have been using as an illustration as they ponder the enrollment is that the faculty wants very much to maintain a selective admissions policy. If there is persuasive evidence that this wish cannot be respected, there are three ways of dealing with the situation:

1. Power: the headmaster can simply announce that the school must change its policy and everyone should make the best of what, after all, is not such a bad situation.
2. The rational, informative approach: the headmaster can marshall all the figures, showing (a) that present enrollment would be better (and academic ability not that much decreased) if admissions standards were not so strict, and (b) that next year's picture is very similar. He is saying essentially, "We are rational people; here are the facts. Let us decide what to do." (He may also slip at this point into more of a power strategy, saying, "I'm sure you will now see it as I do.")
3. The re-educative, human relations strategy: this approach emphasizes the non-rational, personal elements in the situation and develops ways of anticipating resistance and of dealing with it. Thus, some teachers might be reassigned to older students or more challenging courses. Other teachers may need to meet personally with the headmaster or the head of a division simply to "sound-off" once or twice. One primary objective of this approach is to ensure that whatever resistance develops will be expressed openly so that it can be worked with.

These three strategies are probably familiar to most administrators. They are introduced here because our experience has shown that school people tend to emphasize the first two strategies and leave the third to chance, thus jeapordizing the success of many a careful, logical plan. A team can highlight the issue of strategies and check whether it is under or over emphasizing any one strategy by using the simple form below. By simply checking which step of the plan will employ which strategy, the team will reveal its overall emphasis. There is no easy general rule about distribution of strategies. However, two final comments will help with the use of the form. First, if the team finds all of its action steps falling under a single strategy, it should seriously consider a broader, more varied approach. Second, because of the tendency to ignore the third strategy, the team can use the form as a means of exploring how additional steps could be carried out using the third strategy.

STRATEGY MATRIX

Planning Step	*Power Strategy*	*Information Strategy*	*Human Relations Strategy*
1. Change admissions policies			
2. Replace the admissions director			
3. Hire a consultant			
4. Begin advertising			
5. Invite local groups to use the school			

STEP 7: *Determine Action Steps*

1. *What will be done?*
2. *Who will do it?*
3. *When?*
4. *Who will be responsible to whom?*
5. *How and when will they report progress?*

This step is self-explanatory. But doing it carefully and thoroughly is second in importance only to careful initial discussion of an issue. An action plan can be as elaborate or as simple as the team feels is suitable to its manner of working and to the complexity of the changes it is trying to promote. But, elaborate or simple, it must be specific about people and times. A simple chart may help organize the action plan.

Task	Person Responsible	Report to Whom on What Date	Task to be Completed	Task Actually Completed
1.				
2.				

1. *What?*

This comes first, of course. It is a list of specific actions based on the final plan the group has agreed upon.

2. *Who?*

The team should look carefully at the skills and energy of its own members first. It may want to add members who possess special implementation skills like handling conflict in groups. Some original members may want to drop off the team. In any event, the team will need to look carefully through the school community for individuals who can help it accomplish its goals. It is essential at this stage to assign specific people specific tasks. It is also essential to provide adequate time for people who were not part of the original team to become familiar with the goals, personnel, and style of the core team.

3. *When?*

Now comes the first major test of commitment to the team's plan. If team members resist specific work deadlines, the team should very carefully consider the reasons for resistance. Unless the team is fully committed to the plan it can not expect others to become involved and committed.

4. *Who will be responsible to whom?*

First, within the team: is the leader of the team the person responsible for checking on the progress of individual members? Or is some other member appointed to fill that function? Or does the group divide into small sub-groups for specific tasks, each with a task leader? Second, outside the team: when does the team report to the school community or to the individual or group that originally set it in motion?

5. *Reporting.*

How will the team report its progress — internally and externally? Some suggestions include: a regularly scheduled show-and-tell for the whole team; a wall-chart checklist; frequent progress checks with the team's leader or task group leaders; a written report to the headmaster.

The form the reporting takes is less important than its regularity and thoroughness. When the team is involved in other school affairs, every meeting will be a major effort, and checking progress may become a sore subject. But if reporting is not regular and subject to hard-headed questioning, the team will not improve its own performance and/or enlist the support of the larger community. (See the section on the human side of planning for change for a more complete discussion of this subject.)

STEP 8: *Evaluate*

1. *Who is the evaluation for?*
2. *Who will do the evaluation?*
3. *Why will it be done?*
4. *When will the evaluation be done?*

1. *Who is the evaluation for?*

Deciding who the evaluation is for (who will read it, who will use it) helps answer a number of other questions. Evaluations of planned changes can be developed for any segment of the school community, but they will usually take one form for the board and another for a student group. Deciding who will receive the evaluation also helps determine, for example, when it will have to be completed.

At this point it is important to note that we are referring to two general types of evaluation which occur at different stages of the implementation process, usually have different audiences and take different forms.

(A) Interim (or formative) evaluation occurs, as the name suggests, during the implementation process rather than at the completion of the plan. As a rule, an interim evaluation asks two questions.
   1. Are we making satisfactory progress toward the achievement of our goal?
   2. Are the methods and approaches we are supposed to be using being correctly applied?

   Obviously a primary audience for an interim evaluation is the planning team itself. Interim evaluation is essential if the plan is going to be kept on course and on time.

(B) The second kind of evaluation is final (or summative). Final evaluation occurs at the end of the change period and asks, for example:
   1. How extensive was the impact of the change?
   2. How lasting was the impact?
   3. Should we do the same thing again?
   4. Did we achieve our goals?
   5. Was the cost in keeping with the outcome?

The answers to these questions will be elusive and imprecise at best unless the goals of the plan (the "desired state" of Step 2) are stated in concerete, observable, behavioral terms. This means that teams have a heavy obligation to think through and define "behavioral goals" (or "performance indicators"). For example, a plan aimed at influencing parents and teachers to accept a new mission for the school should state its goals in terms of parent behavior and teacher behavior rather than in terms of attitudes, unless these attitudes can be accurately estimated or described through the careful use of interviews or rating scales. Starting with Step 4 of the planning guide, a clear statement of behavioral objectives is also essential as a guide to the development of the plan and strategies for implementing it. For example, a school that is planning to improve its enrollment situation and specifies that its initial goal is to "double the present number of inquiries by next December" has a precise first target. And, having stated the goal in precise and perhaps stark terms, the team is thereby forced to consider very carefully the level of effort that will be necessary to achieve it.

This procedure of stating the goal or the target date and working backwards — planning in reverse if you will — can be extremely useful throughout the planning process. In Step 7, for example, the answers to the question — "Who does what by when?" will be most useful and realistic if they stem from this planning-in-reverse process.

2. *Who will do the evaluation?*

The planning team must decide whether it will recommend outside evaluators for any portion of the plan. The advantages of using professional evaluation consultants include:

a. The availability of sophisticated data gathering and analysis procedures.
b. Greater objectivity than school evaluators.
c. More time to carry out extensive investigations.
d. Consultants will also help shape precise behavioral indicators as a way of facilitating their own work. (They must be brought in at about step five in the planning process in order for the school to benefit most from their help.)

The chief disadvantages are:

a. Dollar cost — upwards from $75.00 per day per man plus expenses.
b. Time — someone will have to take time from other duties to work with the evaluators. This person should insist, for example, on reading a draft of the consultant's report or previewing their presentation. This time commitment should not be underestimated — especially if the evaluation questions and methodology are unfamiliar to those who will be the consumers of the evaluation.
c. Translation — converting complex social scientific findings into everyday language requires careful attention.

If the team decides to do the evaluation all "in-house" this requires some planning in reverse to discover whether the people assigned to the job can complete it by the dates when it is required. Often this procedure indicates the magnitude of the task and whether there is need for additional help.

3. *Why will it be done?*

This question has already been partially discussed under the heading of interim and final. Be sure that the evaluation is asking and answering questions that people care about rather than simply being a concluding formality. To answer this question it will be useful to consult members of the school community outside the planning team.

4. *When will the evaluation be done?*

This question has been, for the most part, considered under earlier headings. There is no rule of thumb for when in the life of the planning project interim evaluations should be done. The most important point to be made about the timing of evaluation is that the dates be set by the planning team and the responsibility clearly assigned. As a rule it is helpful to let others who are involved and interested know what these dates are.

This completes the eight steps of the planning guide. Schools should adapt each step to their special needs; not all steps need to be carried out in the detail provided here. Before considering how to use the planning guide, the headmaster or other planner should read the companion section on the human aspect of planning which deals in greater depth with the problems of getting the plan implemented.

PLANNING FOR CHANGE: THE HUMAN ASPECT

Human beings keep getting in the way of perfect plans. A team works long and hard at formulating a careful, detailed, thoroughly logical plan — and what happens? People forget, do not understand the first time around, get scared or selfish, fail to act, sulk, or resist making decisions. As a result the team's project is thrown open to serious question and, at best, the timing of the whole enterprise is thrown off. This sequence of events is repeated time and again in organizations of all kinds. More attention to the logic of the plan will not cure this problem.

Instead, the team must learn to anticipate the human responses to its plan and deal with them carefully and constructively. This is the heart of planning for change in humane institutions. Unfortunately, planners often act as though they assume that human responses to change will take care of themselves. The experiences of the twelve teams in this project amply document the contrary. Through frustrating personal experience, a number of the teams concluded that it is better to anticipate and over-plan for people's reactions than to find the plan stalled or challenged by individuals or groups whose reactions could have been predicted.

This section deals chiefly with this "human side" of planning and discusses ways to make planning teams more responsive to the human environment in which their plans must survive and grow. Groups other than planning teams — committees, faculty meetings, or academic classes — will also benefit from addressing some of the same questions. Who should be a member of a team? Where does the team get its authority and its charge? How can the leader encourage thorough, systematic work and still maintain an open and creative spirit within the team?

TEAMS

Some Reasons for Forming Planning Teams:

There are four general kinds of activities necessary to effective planning and implementation of change. First, the planner must have access to extensive information about human dynamics of the organization he wishes to affect. He must have sufficient information to separate causes of problems from symptoms, and he must understand the logistical subtleties of the organization he wishes to help change.

Second, the planner must organize his plan for change into discrete tasks and see that they are carried out. He may not be directly and personally involved in carrying out the details of the plan, but he must think through these details as though he were doing them. Otherwise, he may unwittingly ask the people who implement his plan to do the impossible.

Third, the planner must develop broad understanding of, and support for the plan among both those who will implement it and those it will most affect. This step is essential if each of the tasks is to get done on time, and if the change is to be willingly shared by all the members of the community.

Fourth, the planner must anticipate and prepare to deal with resistance to the plan. Newton's second law of motion (for every action there is an equal and opposite reaction) applies as much to the world of human organizations as to the physical world. Change and resistance go hand-in-hand. Successful planners devote as much time and effort to the human issues related to the implementation of their plans as they do to clarifying and organizing the technical and logical details.

Schools usually rely upon either a single person or a standing or *ad hoc* committee to plan and implement changes. Some schools do, of course, use outside consultants, especially for relatively technical changes like the computer work for modular scheduling. Despite the ready availability of these traditional resources, we asked the twelve schools that participated in the summer workshop to form a special kind of *ad hoc* committee — a planning team. Why?

First, we felt that any single person in a school would be inadequate to plan and carry out the changes most of the participating schools anticipated. An individual planner can easily organize a plan into discrete tasks. But he may be severely limited in the other kinds of activities that typify the planning and implementation of change. If the plan is at all complex he will have great difficulty keeping in close touch with all the details of implementation, especially the varied and sometimes guarded reactions of other members of the community.

Second, we had reason to believe that an *ad hoc* group would be more likely than a standing committee to carry out successfully the four major planning and implementation activities. Existing committees usually have the disadvantage of having evolved a congenial style in which the members have developed well-defined ways of interacting with each other. Creative planning depends heavily on the excitement and fun inherent in new combinations of people.

Third, we called these new *ad hoc* committees "planning teams" to underscore the unusual nature of their work. The new teams were expected to operate in ways that were not the "business as usual" of most committees. We hoped that the teams would work in an open, direct and inventive style not typical of most committees. Working in this style, the teams could

anticipate and discuss interpersonal and intergroup concerns within the team and within the larger school community.

Organizing the Team:

Usually the headmaster organizes the planning team. He can do this by nominating people, asking for volunteers or holding an election. This latter method is least common but may serve a very useful purpose in some special instances where it is important to stress the special nature or honor of team membership.

In organizing the team, the headmaster should consider the following characteristics.

1. *Balanced Representation of the People most Likely to be Affected by the Plan*

The value of a balanced team is that, especially if a large-scale plan is being developed, all members of the school community are able to keep in touch with the planning process through their associates on the team. A balanced and representative team can accurately anticipate varied, disperate sources of resistance to the plan. A corollary advantage is that a balanced team has valuable opportunities to discover and encourage supporters of the plan.

2. *Team Members Who Have Demonstrated Interest in Change*

As a rule such teachers and administrators will be able to accept what may be unfamiliar operating procedures like the ones recommended below for planning teams.

3. *The Team should Include People Who are Able to Talk Easily and Openly about the Way They and Others Feel*

A person who can easily and forcefully state his feelings will have an important role to perform in establishing the ground rules for the team. If team members' feelings with respect to the plan and their working as a team become a natural and acceptable topic, the team will enrich its deliberations and become better able to put itself in other people's shoes. This is not a recommendation that the team become a forum for extended personal introspection. But the feelings — pro or con — of the team members toward the plan do provide essential information about its strengths and weaknesses and how others will receive it. For example, a librarian may feel excluded from the team. A team member who can point up these feelings convincingly will help to press the team into developing a way of dealing with them. Naturally, the leader of the team will have to set some priorities for dealing with the human issues raised by his team. He should encourage discussion of many possible areas of conflict, but may plan to take direct action on only a few.

Types of Teams

There are two principal types of teams; horizontal and vertical. The choice of which type of team to form will depend largely on the expected focus of the plan.

Horizontal Teams: These cut across the school on a single level, e.g., department chairmen, or division heads. Horizontal teams usually plan for such things as cross-department changes in course offerings, hiring procedures, or a professional development program. This means that the team members are both planners and doers* — the people responsible for executing the plan. It is a distinct advantage to have these two kinds of people planning together. But members of horizontal teams often overlook the people who will be most affected by the plan. By definition, a horizontal team excludes people from other constituencies. It tends to mirror a limited point of view in the school community and to have an incomplete awareness of the ramifications of its plans in other parts of the school community.

The choice of the leader of a horizontal team often presents problems. If the group is a standing committee the chairman is often the senior department head or the head of the upper school. This person may not be the best leader for planning purposes and the team should consider calling upon someone else to lead the planning sessions. All members of the team should read the sections on planning from this handbook before deciding how to handle the leadership question. An important criterion for considering who the leader should be is a potential leader's commitment to and skill in dealing with the human side of any plan the team produces.

Vertical Teams: Since most of the schools in the School Effectiveness Project were contemplating large-scale changes, we recommended that they send "vertical" teams to the summer workshop. A vertical team may include the headmaster, another administrator,

*The terms planners and doers are not intended to imply a kind of Alphas and Betas or white collar-blue collar division in the school. They are used here — along with their companion term "stakeholders" — to indicate the three major parties involved in most planning efforts. The three groups are separated because they often have different roles and different needs. The roles may overlap at times. In a sense everyone on the team is a stakeholder, but the term as it is used here refers to those people who are *most directly* affected by the plan.

teachers, students and so on. Each person is selected to participate because he represents an important constituency in the school community. For a major change like a merger or instituting the extended school year, large numbers of people who are going to be affected cannot participate in the team process. A team should keep these individuals and groups informed through team members and through some more regular means like periodic oral progress reports. (An oral report is preferable not because it takes less time to prepare but because it facilitates feedback and discussion.)

The question of *how* people become members of a vertical team is almost as important as *who* gets on. The headmaster may wish to begin building awareness of the team's activities by having team members elected or volunteer. Either of these two procedures involves some public notice of the team's existence and purpose. An alternative procedure — appointing the members and then announcing their names and the purpose of the team — seems to establish an image of close-mindedness for the team right away: they will decide and the school will hear about it later. Right or wrong, this may be the initial impression. On the other hand, announcing the creation of the team and asking for volunteers or holding an election helps build commitment to the team and to its plan by saying implicitly: we want to hear from you; your ideas will influence this plan.

Communication Within Teams:

The ground rules for any team are central to its overall effectiveness. These ground rules deal with such questions as who dominates discussions, who can challenge whose opinion, and whether the same standards for participation and recognition apply to all team members? Although these rules are sometimes difficult to make explicit, they should be discussed early and often. Otherwise status and authority differences between members will assert themselves in whatever form they assume in the larger school community. Because the ground rules which govern the direction and content of communication within and between groups are seldom discussed and almost never written down,they seem unreal — perhaps the figment of some sociologist's rich imagination. As such, how can they possibly dictate the way people communicate with each other? The ground rules concerning hair length for males illustrate the power of these implicit rules. A visitor to many school campuses in the late 50's and early 60's would have searched in vain for rules about boys' hair length. But suddenly, when these rules began to be violated, they appeared very strong and clear in the minds of a great many people, setting off a controversy that for many people is still far from settled.

The implicit rules for what is acceptable communication within groups are similarly invisible and similarly powerful. Unfortunately, however, these ground rules can so narrow the range of what is acceptable that they limit a group's creative potential. The potential is inherent in each individual, but the creativity of the team — which is almost always greater than the sum of its parts — depends on getting the individuals to communicate in ways that are not typical of most committee communication: direct, affective, whimsical, metaphorical, open.

There are solid reasons for encouraging a special set of ground rules for the planning team — not the least of which is to prepare the team to accept and explore creative ideas irrespective of who offers them. The essential role of the leader in establishing, maintaining, and gathering information about these ground rules cannot be over-stressed.

LEADERSHIP STYLE

The role of the leader in a team is more important than that of chairman in a committee. In a committee most people operate in fairly well defined ways and the committee could more or less run itself. The planning team cannot run itself — certainly not the first time through — because it is undertaking new work with new work rules. The preceding discussion has suggested the need for the planning team to operate in a more open, free-wheeling style than is typical of most committees. This, however, is only half the picture. The planning team must also adopt a tighter structure and a greater concern for deadlines and work assignments than most committees. The job of the leader is to bring about a harmonious, productive balance between these two opposing tendencies or work styles. The following discussion of leadership style is intended to help team leaders in carrying out that delicate assignment. Team members should also read it in order to understand the leader's role and to help him carry it out.

There is a true story of an Army unit which fought in Europe in the Second World War under the leadership of a Captain Carlson. This unit infiltrated behind enemy lines at night to blow up bridges, cut communication lines, and destroy supplies. Captain Carlson's unit drew the attention of his superiors because of its unusually high performance, its low casualty rate, and, most of all, its unusual leadership.

Carlson's Raiders developed the following approach to their operation. When the unit formulated its

battle plans during the day, each man removed his bars and stripes. Officers and men argued about different plans in heated debate, and when it came time to choose one plan, each man — irrespective of rank — had but one vote. Captain Carlson "led" these group sessions and participated in the debate, but he accepted the plan arrived at by consensus. That evening, each man put on his bars and stripes, and the unit was run in a strict, military manner while the plan was being executed. The men obeyed quickly and unquestionably, even when the plan had to be altered or abandoned because of unanticipated resistance.

This story points up a vital ingredient in the successful planning and implementation of change: *task or work groups (as opposed to social or recreational groups) require leadership, and the style of leadership required will vary according to the situation.* Captain Carlson applied a democratic or participatory style of leadership during the formulation of the plans upon which every man would be risking his life. Each man needed to have a high commitment to the plan, and this commitment was developed by his opportunity to help shape the plan. Each man had the opportunity to judge the contribution and wisdom of his comrades in the planning process. Each had a high stake in developing the best plan, and in drawing upon the lessons of previous raids. The outcomes of this democratic or participatory style of leadership during planning were:

1. The development of the "best" plan, incorporating all the information held by all the people in that unit;

2. a high commitment to the selected plan;

3. a thorough understanding of the plan, its purpose, its details, the role of each person, and the rationale behind it;

4. a high sense of comaradre and morale throughout the unit; and

5. a high degree of confidence and trust in Captain Carlson and his officers.

Contrast this democratic or participatory style used during the development of the plan with the typically military or autocratic style of leadership used to execute the plan. As the plan was being executed, there was neither time nor an isolated environment for debate. Decisions had to be made by one or two people and executed quickly by others because of the constant presence and threat of the enemy. The successful execution of the whole plan required each man to perform a specified task within the coordinated whole. The successful experiences of the men in this unit showed them: (1) the necessity of the top-down, military leadership style while trying to execute a plan behind enemy lines, and (2) the usefulness and satisfaction of the democratic or participatory leadership style while in safe territory, with adequate time to develop a plan.

The conditions facing Carlson's Raiders are quite different from those prevailing in even the most embattled independent school. Nevertheless, the story does serve to underline several key aspects of the relationship between leadership and planning. The first relates to the planning team itself. The successful use of a team for planning rests, in large measure, upon knowing the varieties of leadership styles required by these teams. The leader is defined here as the team member with primary responsibility for directing and coordinating the task activities of the team. Whether elected, appointed, or a volunteer, one person in the team must be centrally responsible for getting the job done. But the question of WHO SHOULD LEAD, AND HOW, depends on what the "job to be done" is.

The job to be done in developing a plan is quite different from the job to be done in implementing the plan. During the development of a plan, we propose a democratic or participatory leadership style for many of the same reasons that Captain Carlson used this style. Developing the best plan requires a creative team effort, and this kind of effort builds a commitment to and a stake in the success of the plan that each individual helps create. In order to bring forth this level of effort and commitment the team leader for this planning task should have the following skills:

1. The ability to guide and stimulate the members of the team into creative and productive problem solving, i.e., the progressive building of ideas rather than conversations which go off in many, unrelated directions.

2. The ability to organize the team's work into a logical sequence of achieveable steps, and to pace the team's productivity so that the members experience progress from one meeting to the next.

3. The ability to deal effectively with team members who might interfere with the team's productivity, i.e., by filibustering or clowing, by cynical or pessimistic remarks, or by generally trivializing the task or the team itself.

4. A light touch and a sense of the play that might inspire the team to build an impossible plan that could never be implemented but which grows as a spontaneous diversion.

In addition, there are small-group management skills, which require a leader who can coach the team

along, question whether all the options have been explored, push for decisions when needed, assign specific tasks to team members, schedule team meetings, and the like. The team leader does not necessarily have to be the most knowledgeable person in the group regarding the technical aspects of the chosen task. For example, a team working on the development of a modular scheduling plan should have members (or consultants) who are thoroughly knowledgeable about this technical subject. But this specialist need not be the team leader, since the leader's principal task is to direct and coordinate the efforts of the team members.

There is no formula for designating a leader in any given situation. A headmaster, or anyone else responsible for forming a team, should review the team's task, consider the skills required of the leader for the accomplishment of those tasks, and look for possible candidates throughout the school. He should select a leader more on the basis of the skills required than on the basis of the person's role in the organization. The person who leads the team during the development of the plan may or may not be the right person to lead the process of implementing the completed plan. The leader of the team in the development stage must be able to loosen people up, to get them to relax and contribute ideas that may not be immediately useful but which can be expanded and improved by others. He must have a graceful way of getting the team to accept unfamiliar activities like brainstorming* or to over-come the usual shooting gallery quality of most committees. People often assume that a good planning leader will be a good implementation leader. This is not necessarily the case, and the team should reconsider its leadership when it arrives at the implementation stage. The leader for this stage may need to behave more like Captain Carlson during the execution of his unit's plan, i.e., in a top-down, executive manner.

The most important task of the implementation leader is to direct and monitor the timely execution of a plan that has been formed in the earlier more creative, free-swinging planning sessions. If the leader for both activities is to be the same person, he must "change gears" and get the team to change with him. Successful implementation requires clarity of direction, attention to deadlines, and clear-cut roles. The leader of the implementation process cannot be timid about giving people specific tasks or about confronting them over inadequate or slow performance.

In addition to scheduling, monitoring, directing and evaluating others, the implementation leader must be able to deal effectively with resistance to change. Most plans that involve changes in the school will be resisted by some members of the school community. Such resistance will require one kind of leadership with the resistors and another with the members of the team who must carry out their tasks in the face of this resistance. Often, people who resist a plan do not understand the reasons behind it, and their resistance may be diminished with an explanation. Others may understand but disagree with the plan, and the leader will have to deal with them in a different way. He may choose to tell them that they must accept the plan, or he may compromise or even change the plan to meet their objections. Which strategy of conflict resolution the leader uses depends on the particular situation and is not subject to prescription. The best approach is for the headmaster to assume that some individuals and groups will resist the plan and to choose a leader for the job of implementation who has skills and experience in resolving conflicts.

We have characterized the leader of the implementation process as more executive and authoritarian than the leader of the planning process. To further clarify these two styles of leadership and to enable the interested reader to relate them to his own leadership style, we have included brief descriptions of five leadership styles.* These are composit pictures drawn from leaders of many different kinds of organizations. The style we have proposed for the development of the plan is a mixture of what we have called the Consults style and the Joins style. The style best suited to implementation is a blend of the Tells and the Sells styles.

These terms and concepts can help a team discuss their leader's style with him. They can suggest alternative styles for an individual to consider for himself. In the summer workshop the members of the teams found the discussions of leadership style to be among the most valuable for the team. Headmasters sought and were able to accept frank comments on their leadership styles within the framework provided by the descriptions. The level of frankness reached in these discussions brought some teams into temporary conflict but ultimately enabled them to work more effectively together.

One note of caution: anyone deciding to experiment with a style of leadership other than the one he thinks is typical of himself should enlist the help of colleagues who can observe (a) whether he does, in fact, make any changes and (b) whether the changes have the desired effect. A reciprocal arrangement will make the process more interesting and more likely to bring about change.

*See p. 22 for a discussion of brainstorming.

*See Appendix A

Making Teams More Systematic and More Creative*

"That was a great meeting; we really accomplished something for a change."

"Oh, are you a member of the Curriculum Committee? What does your group do? More than we do in the Student Affairs Committee, I hope."

"Don't forget, the team meets this afternoon." "Yes, I almost forgot; I wish you hadn't reminded me."

These and other saltier comments reflect the attitudes of many teachers and administrators toward group meetings. The problem is not to eliminate group meetings but to make them a source of creative ideas, and a means of carrying out some of the business of the school in an orderly yet humane way. Thus we are proposing some ways of making teams more creative and more systematic. In the story of Carlson's Raiders, the sharp distinction could be made between the participatory, creative phase in which the men debated as equals about the night's raid and the later top-down, military implementation phase when the plan was executed. In the day-to-day existence of most teams this neat differentiation is less possible. Order and creativity in teams can be thought of as the two poles or terminals of a battery. They exist as adjacent opposites; engaging one without the other produces no energy. Together, they are a source of unrealized and lasting power. The material that follows will discuss first creativity and then orderliness and then the relation between the two.

Making Teams More Creative

The notion that a plan is stronger for having emerged from a number of competing alternatives is central to the concept of team creativity. Once in a great while a board of trustees will select the first headmaster candidate it interviews without seeing others. As a rule, however, anyone filling an important position wants to look at a number of possible candidates. Similarly, from the candidate's point of view, there is a negative value attached to being selected from a small field of three or four rather than from thirteen or fourteen. Even if the first candidate is ultimately selected, there seem to be definite advantages to all concerned in considering alternative choices. What seems to happen with a team is that working through a range of alternatives both insures the best possible plan and helps unite the team so it can deal effectively with the problems of implementation.

A central question for any team is therefore: How can we create an atmosphere or style which actively encourages the presentation and discussion of a range of alternative approaches to the issues we are addressing? The emphasis here is on extending the range of proposals considered. There is little value in selecting one plan from among a half dozen mirror images of itself. Expanding the range of proposals considered acceptable for discussion is a difficult problem because most groups develop subtle but extremely powerful methods of screening out unfamiliar or divergent ideas – no matter whether these originate within the group or outside. The bulk of the responsibility for changing this kind of response falls on the team leader. His active interest in introducing and promoting unfamiliar ideas can make more difference than any other single factor. If he is not taking the lead, the odds are against greater acceptance of unfamiliar ideas.

Brainstorming: A Technique for Eliciting A Diversity of Opinions and Encouraging all Team Members to Contribute.

One of the best and simplest techniques for helping any team develop a range of diverse ideas is brainstorming. The entire team volunteers suggestions about a topic, or solutions to a problem. One person leads, encouraging the others, while another reconds the suggestions in front of the group on a chalkboard or newsprint. As the team is generating its list of suggestions, team members must refrain from evaluating the suggestions, although any member is allowed to "piggyback" – adding to another member's suggestions. The ground rule for this activity is "anything goes." At first, an inexperienced leader may find it hard to honor this rule. Some seemingly foolish suggestions may be proposed and he will have to record them despite his negative opinion of them. It is important to realize that while these "throw away" ideas may seem at first to have little value in themselves, they may serve to stimulate someone else to consider the problem differently in a way that can ultimately be put into practice. With a light, humorous (but never trivializing) touch the leader should encourage the team to search out unfamiliar or unexpected approaches, to broaden its horizons. Treated as an imaginative challenge, brainstorming can be one of the most enjoyable and unifying experiences of a planning team.

*Up to this point we have been using Teams to refer primarily to planning teams. The discussion that follows is intended to have a broader reference and the reader should read teams as synonomous with committees, departments, faculty meetings, classes, and so forth – almost any group meeting to carry on the business of the school.

Once the brainstorming session is over, the leader should not allow the team to relapse into business as usual, knocking off each proposal in the familiar "shooting gallery" style. Instead, the spirit of creativity and cooperation generated in the brainstorming session should be extended by having the team try to build each idea into a workable proposal – just the reverse of the traditional approach. If the positive, cooperative effort of the entire team cannot turn an idea into a workable proposal, then it can be quite legitimately discarded. This procedure will generally take longer than some other approaches. However, it has the twin advantages of developing thoughtful, innovative proposals and enhancing the creative spirit of the team. Successful use of this technique will confirm the difference it can make in the morale and commitment of the team.

Listening: Often several of the most verbal and assertive people dominate a team. In the "shooting gallery" kind of group they are the only ones who come armed; the rest are sitting ducks. The sound of the shot may be almost unheard ("Yes . . . but . . . " is often the way it sounds. Or it may take the even quieter but just as effective form of simply ignoring the previous speaker.) Under these ground rules some members simply do not bother to contribute ideas of their own. This ultimately limits the options the team has to choose from and also discourages team members from building on and expanding each other's ideas. In a "shooting gallery" kind of meeting, success comes from defeating everyone else's ideas. In the long run this kind of interaction also reduces the probability that the entire team will actively support whatever plan or proposal it puts forward.

One way to reverse this trend is for the leader to impose briefly the rule that no one can speak until he has repeated the point made by the previous speaker, and repeated it in a way that satisfies that speaker. This rule slows the pace of the committee, but it makes the point about the need for each member of the team to listen to all the others and to proceed by building, not continual tearing down. Once a team has done the listening exercise for ten or fifteen minutes, the leader need only refer to it later to make his point.

Conflict: The idea of listening is to build a cooperative, team approach to planning. This view of team operation should not be taken to mean that teams should avoid all forms of stress. Quite the contrary.

Stress has several useful aspects. First, a situation in which the team is under stress to meet a deadline or explain its position can often bring out a strong individual and cooperative effort. Here the stress is related to achieving the goals of the team. Stress and conflict can also bring to the surface issues that are difficult to deal with but critical to the effectiveness of the team. If the team backs away from potentially stressful situations, there will be few opportunities to deal with serious differences in beliefs, personality, or style. A team that is trying to operate cooperatively must be prepared to deal with stress of the kind that comes when one member tells another to stop cutting him off or when a member of the team questions the chairman on railroading proposals through the group. Without the freedom to challenge and initiate a potentially stressful situation, the team runs the risk of losing some of its members or some of its verve. People sulk, or forget meetings, or come late, or do not volunteer ideas. Encouraging an individual to say what is bothering him about the way the meeting is going may stir up trouble, but the outcome is usually constructive. This is particularly true if the team can work together to solve or alleviate the problem that has been raised.

Here again the burden of responsibility for enabling the team to deal with conflicts between team members falls upon the leader. If he consistently ignores nascent conflict and overlooks all differences, he may give the appearance of running the team smoothly. In fact, he may be doing just the reverse. He may, for example, be allowing an unacknowledged competition between two people side track the entire team. By not confronting the issue the leader may waste the meeting and lower the team's morale. No one may realize what was wrong, but they will leave the meeting enervated and dissatisfied.

The leader may have to ask why people are not listening or participating and even suggest possible reasons having to do with the content of the discussion or the way it is being carried out. Similarly, he may have to take the lead in looking honestly at his own style of leadership. The implicit message of this kind of analysis should be: "I want the members of this team to feel productive and to feel that the task is worth their taking time from other important work. If anyone does not feel this way, it is important to stop; to find out why; and to do something to improve the situation." The material in the section on leadership style may facilitate this kind of discussion. These discussions may be difficult and time consuming, but the dividends in higher morale and greater commitment to the team and to its task are well worth the investment. In the long run this concern for the way individual members work with the team will mean a richer and more varied set of proposals for the team to select from.

Making Teams More Systematic

One of the most common and disabling complaints about working groups is that the members do not know

what they are supposed to be doing or why. This may not be the group's sole problem, but solving or alleviating it will go a long way toward making them more effective. We will make three suggestions to this end.

The Charge to the Team: Often the source of a team's uncertainty about what it is supposed to do stems from the fact that no one spelled this out or asked about it when the team was formed. The team must know its overall mission. Is it meant to recommend, decide, study and report, react to proposals, all of these, or something else? Whatever the charge to the team, it must be made explicit at least to the leader and the team members and preferably to others in the school community who will be affected by the team's work. Another advantage of spelling out the team's mission is that it raises related questions for consideration. If, for example, the team is being asked to study and report, this raises the question of when the report should be made, to whom, and in what form.

The team should also know whether its report should come to one conclusion or whether it should document several competing alternatives for a decision-making group to examine. These are very different activities from deciding on a particular question. Many times, committees reach what they believe to be decisions, only to find their work treated like a speculative report. Many committees do decide: discipline committees mete out punishments and athletic committees award letters. But many do not, and the members of the team will function more effectively if they know which they are to do. If a team has a number of different functions, the job of the leader becomes more complex. He must outline the changes in task that are involved as a committee moves from one topic to the next. For example, they may decide on an English curriculum but can only recommend that the school drop Latin.

People who are not members of the team also need to know how it functions if they are to have confidence in it. For example, a team that receives proposals from student groups should have a standard, orderly way of indicating its response or where the proposal has been sent. By not reporting on proposals it has received, a team creates the impression that it is indifferent and encourages students and others to become cynical about its value and activities.

Part of this problem can be avoided if the relation between one team and another or between a team and the headmaster or the board has been clearly spelled out. If this relationship is clear, the route of a proposal from initial discussion to final decision will be well known. This knowledge builds confidence in the structure and the system of governance.

Agenda Building: When a team does not know what to do, one of the first symptoms may be the lack of an agenda. When a team meets several times without an agenda, one of the first items on the agenda for the next meeting might well be – "Why we don't have an agenda."

An approach that seemed to work well for the teams in the summer workshop is the *open agenda.* This kind of agenda allows the leader to specify the topics he believes the group must deal with if it is to accomplish its overall goal on time. The members are then free to add their own agenda items. Usually the list is too long and the group must establish priorities at that time. This procedure allows members of the group to raise issues about the way the team is functioning, issues which if not discussed at that time might inhibit or distract from discussion of substantive questions. For example, several members of a team might want to discuss the point that the team is making recommendations about the athletic program without consulting the coaches or the alumni secretary. Similarly a member of a team may want to discuss the fact that several members of the team are regularly late and participate only minimally in discussions. The open agenda permits these and other issues that may not have occurred to the leader to be discussed if they seem genuinely relevant but avoids loosing sight of the tasks to be accomplished.

The Work Plan: The third suggestion for making teams more systematic applies largely to teams that are undertaking extended projects in which the work is divided among several people. Under these conditions some leaders are reluctant to formalize a work plan. If an unstructured approach really produces satisfactory results in terms of the team's work and their investment in the outcome, there is no reason to change. Too often, however, the leader's reluctance to press for specific work assignments and completion dates results in uncertainty and diminished enthusiasm for the outcome. This is usually not seen as a "serious problem" because most faculties are a small group and prefer to pass over whatever feelings of dissatisfaction they might have rather than rocking the boat. What can happen over time, however, is that a faculty or a team can come to accept a low-level of creativity and productivity as the standard for the group. Using a work plan can help establish a crisper, more creative, approach to the work of the team.

The abbreviated work plan below illustrates only one way of achieving these results. Some teams might, for example, want to add space for comments on the results of each task, e.g., give a further assignment, file the information, report on a vote or a decision stemming from the task, and so on.

WORK PLAN: FACULTY DEVELOPMENT PILOT PROJECT

TASK	PERSON RESPONSIBLE	DATE TO BE COMPLETED	DATE ACTUALLY COMPLETED
1. Visit Oak Hill Country Day and report on their evaluation scheme.	Jack Partridge (Oscar Hill)	4/2/72	4/12/72
2. Consult with Professor Shaw on theoretical issues involved, strengths and weaknesses of two leading schemes.	Anne Paladino (Phil Osberg)	4/9/72	4/9/72
– Present oral report to the committee.		4/23/72	
3. Hold meetings with department chairmen not on the committee to outline objectives for the program.	Sam Garver (Phyllis Soloman)	4/16/72	
– Present written list of objectives to the committee.		4/23/72	

Note the following elements of the work plan, elements that should be part of the team's way of getting the job done even though they choose not to use a work plan.

– Specific outcomes: in reviewing the plan replace all vaguely defined activities with more concrete activities from which the team can expect tangible results.

– Individual accountability: avoid the all-to-familiar situation in which everyone agrees, "We'll all do it," and no one does.

– Planned and actual completion dates: including these dates enables the leader to carry out his job of task master with maximum objectivity and effectiveness. This is not the easiest or most pleasant aspect of being a leader, but it has to be done and having a work plan makes it easier.

The Team's Own Operations

We have mentioned under several headings the team's need to keep its own house in order. Leadership, listening carefully to all members, keeping to an agreed-upon schedule, remaining receptive to new ideas – all these are important and recurring considerations for any team.

As the team matures in its work, it may want to pay more deliberate attention to the human side of its own operations. For example, it may need ways to examine and alter its own processes; correct the tendency to become over-absorbed in tasks to the exclusion of basic individual needs for approval, recognition, or support; explore the leader's reluctance or inability to move the group to closure on issues, allowing it instead to wander or get sidetracked on inconsequential topics; or discuss why the meetings too often seem to degenerate into "show-and-tell," with little creative discussion of the issues.

Small groups faced with the need to monitor their own processes often find it useful to designate one member as a "process observer." This person enters into an agreement with the group to look critically at one aspect or another of the group's behavior and report his observations to them.

His role is difficult because he must be objective. Rather than interjecting his own biases, he should tell the team what he sees and let them make of the observation what they will. Some sample observations might be:

1. Every time Larry or Jean offers a suggestion, no one responds.
2. This group tells a great many anecdotes that do not seem to be related to the business at hand.
3. Everyone seemed pleased with the way today's meeting went.
4. Some people have not commented directly about the subject of evaluation but seem by their sub-rosa comments to disapprove of the idea.

The first consideration with each of these observations is to discover whether they are indeed true. Was the group really pleased with the meeting? Are there people in the group who oppose evaluation but have not spoken out? A second and often more difficult issue to raise is why these things are happening. Why do people not respond to Larry's and Jean's suggestions? Why does the group get side-tracked into anecdotes instead of sticking to the business at hand? The role of the leader is critical in developing answers to these questions. The question about Larry and Jean may be particularly hard to handle, but the leader can help by pointing out that the question refers to a two-way process and it may be easier to look first at reasons why the group is not receptive and then consider whatever problems may exist with the message or the people communicating it. The leader will also have to turn the spotlight on himself from time to time. For example, he may realize or be told that his leadership is at fault in allowing the group to fall into anecdotes that lead away from the business at hand. The third step in this

inquiry into the team's processes asks "what can *we* do about it?" In the case of the good meeting, the simple answer is for each person to keep doing the things that made the meeting good. The answers to the other questions will be more complex, but generally speaking, the leader should press to have these answers spelled out in action terms – who is going to do (or not do) what under what conditions. The end result of this three-stage inquiry should be a clearer set of explicit operating principles to guide the work of the team.

In carrying out the inquiry the leader should continually remind the team of one fact of group interaction: very few actions in a group have single causes; whenever something goes wrong or right in a group each member should ask, "What am *I* going to make this happen?" Once again, the leader may have to illustrate this notion by his own behavior, asking the team, for example, what he is doing that keeps them from responding when some team members offer ideas and suggestions.

This discussion has centered upon some sample observations that could have arisen from a very general request that the process observer simply note some things that seem important about the way the team operates. Before turning to some more focused questions, we should note a few practical considerations. First, the process observer should report to the whole group orally at the end of the meeting he observed, referring only to observations made in that meeting. The leader's initial tendency will be to run the business part of the meeting too close to the end, allowing little or no time for the observer's report. The observer and the leader must cooperate in ending the meeting with sufficient time (usually ten to twenty minutes) to discuss one of the observer's observations. The issue of time is, of course, vital. Something will have to give. The idea of having an observer is not based on the assumption that the team will meet for an additional 20 minutes beyond its usual time. It is, however, based on two related thoughts. First, the team could do its business more efficiently and leave time at the end if it knew the time was scheduled beforehand. Second, since the purpose of having the process observer is to make the group both more creative – in the sense of more accepting of divergent opinions and better able to build rather than compete – and more efficient – in the sense of spending less time in excursions that could be avoided if people felt free to speak their minds – the time spent dealing with the way the team operates will pay real dividends in terms of greater effectiveness over the long haul.

The role of process observer is easier for some people than for others, and the team may want to rotate the role until they find someone whose observations seem to be particularly sound and useful. A team should not become preoccupied with its internal operations and the leader will have to sense when to ask someone to take a turn as process observer. Sometimes it can be done in the style of a "periodic check-up"; in other instances, there may be a genuine impasse or sense that the team is becoming uncreative or negative or wasting its time. At no time, however, should the leader simply impose a process observer on the team.

One problem of introducing process observation to a team – even a team that seems very much in need of discussion of how it is functioning – is establishing what the observer does. It is first important to establish that a formal observer does not participate in the team's business so he can be free to concentrate on gathering information for the team. To be certain the observer is focusing on generally understood and accepted issues, the team may wish to use a guide like the one in Apendix B, or it may instruct the observer to take special note of one or more of the following topics (or topics like them).

1. The origin of ideas
2. The leader's role
3. The amount of participation of each member
4. Reasons for unproductive excursions
5. Productive and unproductive criticism
6. Adherence to agreed-upon agenda
7. Clarity of task assignments
8. Methods of generating alternative ideas.

Process observation is a structured way of focusing on the human side of the planning team. The reason for doing this is in the long run to develop a better plan, one that deals carefully and sensitively with the human side of the organization or group that will be affected by the plan. Process observation takes courage on the part of the team to try something unfamiliar. It also takes time to get used to and time to see that it can help a team work more creatively together and make team membership useful and rewarding. As it deliberates about the issue of time a team should remember that the habits it may be attempting to examine and change are rooted in long years of experience. In terms of total time, the team as a whole may have spent as much as 100 years in classes and in committee and faculty meetings without looking at the way they operate as a group. The unconscious habits of so long a period can change but not without time and the unswerving desire to find a better way.

CONCLUSION

Up to this point we have discussed the role and functioning of the teams, how to help teams operate more effectively, and how to anticipate some of the problems of implementation. We will conclude by offering some suggestions for putting these observations into practice. We will consider first a set of questions that may help a team decide how ready it is to begin implementing its plan. The following questions were suggested by a member of one of the teams that attended the summer workshop. They stem from the team's attempt to implement the plan it developed during the summer. If a team cannot answer most of the questions affirmatively, it should not begin implementing its plan.

1. *Have you defined success?* Have you worked out specific accomplishments or goals whereby the members of the team and others will know that the plan has succeeded or failed? Does your definition allow you to judge how well the plan is going when it is partially completed?

2. *Do you have a plan for allaying the anxieties of the stakeholders** Do you have a procedure for dealing with the concerns of people who are likely to resist the plan – both before the plan begins to be implemented and after? Such a procedure would consist of at least some decisions about which members of the team were going to do what and when?

3. *Have you developed commitment to the plan among: the team, the people who will carry it out, the stakeholders,* others with veto power in the school community?* What are the indications that you have succeeded with any of the groups mentioned? What plans are there to continue working with these groups throughout the life of the project?

4. *Do the team members know what they are supposed to do to bring about the successful implementation of the plan?* Does each person have an assignment? Is the team as a whole taking an active stance during the implementation stage?

5. *Is the team open to alternate ways of achieving its goal?* Once the team has decided what it wants to do, has it explored alternative approaches with the doers and stakeholders who will be involved when the plan is carried out?

*Stakeholders – for those readers who are reading the conclusion first – are the individuals and groups who will be most affected by the implementation of a given plan.

Resistance: The preceding discussions have encouraged the team to anticipate and discuss resistance to the plan. This section concludes with some specific suggestions for anticipating and dealing with resistance.

1. Decide on the source of the resistance. Is it mainly a personal or group problem that can be met by working carefully with the person or group? Or is the resistance likely to be school-wide because the change violates one of the major implicit ground rules of the school? (In a number of schools any attempt to diminish the importance of the athletic program or to put half the courses into the form of audio-cassett lectures might fall into this latter category.) Any plan that requires a change in one of these ground rules can be expected to meet solid resistance. By the same token, however, a change in any of the school's implicit assumptions or operating principles promises to have a broader and more lasting effect than a change of mind or heart in an individual or single group.

2. Make the strategy fit the source of resistance. The resistance that develops when a plan runs counter to one of the school's implicit assumptions is unlikely to yield to a cognitive, informational approach. It will require face-to-face discussions and a range of activities that will deal with the affective roots of the resistance. Some approaches the team may want to consider include the following:

- small meetings at which members of the team discuss the plan before it is implemented.
- a continuation of these meetings throughout the implementation process
- use of an outside consultant skilled at leading discussions about the more profound levels of institutional resistance to change.

If, on the other hand, the sources of resistance are more peculiar to single individuals and groups, the procedures in the remainder of this list will be more relevant.

3. Provide declared or anticipated opponents of the plan with the following information:

- why the change is being introduced
- when the change will begin and end
- how the change will affect related aspects of the school
- who is on the team

4. Explain in what ways the plan will require teachers and others to do their jobs differently.

5. Outline and discuss changes in responsibility that will result from the implementation of the plan.

6. Explain and be prepared to discuss the way in which the change will affect working relationships (e.g., a transfer from the middle to the lower school) and job security. This latter is especially critical at a time when faculty cuts are very much "in the air." For example, one school that wanted to introduce a new form of grouping for the lower school ran into this problem when the teachers saw the change as a way of easing several teachers out of the school.

7. Be prepared to change the timing or the method of implementation. This suggestion, which has been made previously, is essential if discussions with affected groups are to be taken seriously by those groups and are to influence the acceptability of the change.

8. Read. The following materials deal with the subject of change in schools and other organizations and may be valuable guides to further action by the team.

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BUDGET ANALYSIS AND PLANNING FOR CHANGE

This chapter of the handbook, like its companion chapters on the logical and the human aspects of planning, is aimed at helping schools make better use of their existing resources. Thus we do not discuss methods of adding to the school's financial resources through annual giving, the alumni(ae) fund or capital gifts. Instead, this section provides a method whereby a school administrator can compare his pattern of expenses to the average pattern for schools of his type. A girl's day school, for example, can compare its expenditures for student support with the average expenditure for this item in other girls day schools throughout the country. This comparison process does not guarantee that a school will use its funds more effectively – only that it will have a systematic way of looking for areas in the budget where reductions or "trade-offs" may be warranted or desirable.

One caveat helps put this comparison process in perspective. The average in any budget category for schools of a particular type is derived from a broad range of expense patterns representing a cross-section of schools in all parts of the country. While a given school may depart from the average in any given category, it will certainly be within the range represented by the other schools. Therefore, an expense category that is above the average does not *necessarily* indicate fat in this budget item. By the same token, an expense category that is below the average does not *necessarily* indicate that the school is underspending or is as lean as it could be in that particular category.

Despite this caution, the comparison approach can be of considerable value in calling attention to possible economies *and* in winning support for the changes necessary to effect these economies. Some schools have also used this approach to guide internal adjustments required when an increase in expenses must be made without a corresponding increase in income.

The following fourteen steps enable an administrator: to organize his own budget for comparison with the average budget for schools of his type; to record and study the comparison; and to explore alternative ways of dealing with the discrepancies that emerge from the comparison. This process is illustrated throughout by two schools, one DAY (Cartwright) and one BOARDING (Woodbine) both running at a deficit. At the conclusion of the exercise, committees in both Cartwright and Woodbine propose alternative approaches to balancing their budgets and recommend one of these approaches to the Board. Along with their short-term recommendations, the committees propose broader alterations in the operation of each school designed to deal with some of the root causes of its deficit.

Cartwright is a K-12 coed day school of 350 students organized as follows: K-6-143; 7 & 8-50; high school-157. It is a relatively new school located in the midwest. Woodbine, an eastern boarding school, enrolls 450 boys in grades 9-12.

STEP 1. *Enter your expenses in the account headings listed below. They are an abbreviated version of the NAIS short form accounts more fully described on pages 48-50 of the Independent School Accounting Manual. The general institutional and general administration accounts have been combined.*

INSTRUCTION	**Cartwright** Coed Day	**Woodbine** Boys Boarding	**Your School**
Faculty Salaries (including salaries of administrators who also teach proportioned to the extent of their teaching load)	273,350	595,350	
Faculty Benefits	Both schools entered faculty benefits under Administration-Institutional; an option under NAIS procedure.		
Departmental Expenses and Supplies	23,450	114,930	
Library	12,800	34,500	
Chapel	0	25,920	
Athletic	12,750	42,000	
TOTAL	**$ 322,350**	**$ 812,700**	

STUDENT SUPPORT SERVICES			
Residence Halls	0	89,208	
Food Service	15,333	130,032	
Health Service	8,500	13,608	
Guidance	9,500	18,900	
Store, snack bar	1,242	94,878	
Newspaper, student activities	4,275	31,374	
TOTAL	**$ 38,850**	**$ 378,000**	

GENERAL ADMINISTRATION/INSTITUTIONAL			
Administrative Salaries, Employee Benefits and Payroll Taxes			
Administration	98,098	333,387	
Faculty	9,319	34,996	
Maintenance	25,968	49,275	
	Both schools entered benefits for maintenance personnel under Plant.		
Supplies	21,915	77,570	
Insurance	6,500	16,875	
Rentals	3,350	3,760	
Miscellaneous	250	2,987	
TOTAL	**$ 165,400**	**$ 518,850**	

PLANT OPERATION AND MAINTENANCE	Cartwright	Woodbine	Your School
Salaries	$ 38,059	$ 245,273	
Benefits, Taxes	2,429	15,655	
Supplies	43,862	282,672	
TOTAL	**$ 84,350**	**$ 543,600**	
FINANCIAL AID	48,300	187,650	
TOTAL	**$ 48,300**	**$ 187,650**	
OTHER			
All expenses not included elsewhere	850	29,700	
TOTAL	**$ 850**	**$ 29,700**	
GRAND TOTAL	**$ 660,100**	**$2,470,500**	

STEP 2. *Convert the totals of all accounts in step 1 from total amounts to per student costs and percentages.*

	Cartwright 350 Enrollment			Woodbine 450 Enrollment			Your School ___Enrollment		
		Per Student			Per Student			Per Student	
Accounts	Total Cost	Cost	Percent	Total Cost	Cost	Percent	Total Cost	Cost	Per-cent
Instruction	$322,350	$ 921	48.8%	$812,700	$1806	32.9%			
Student Support	38,850	111	5.9	378,000	840	15.3			
Administration/ Institutional	165,400	472.6	25.	518,850	1153	21			
Plant Operation & Maintenance	84,350	241	12.8	543,600	1208	22			
Financial Aid	48,300	138	7.3	187,650	417	7.6			
Other	850	2.4	.2	29,700	66	1.2			
TOTAL	$660,100	$1886	100%	$2,470,500	$5490	100%			

STEP 3. *Separate faculty salaries from the instruction account and establish it as a separate account. The remainder (departmental expenses, supplies, library, chapel, etc.) will be referred to as instruction supplies or supplies.*

	Cartwright	Woodbine	Your School
Faculty Salaries (cash salaries only)	273,350	595,350	
Instruction Supplies	49,000	217,350	

STEP 4. *Convert the instruction supplies account to a per student cost basis and percentage as in step 2.*

	Cartwright 350 Enrollment			Woodbine 450 Enrollment			Your School ___ Enrollment		
	Total Cost	Per Student Cost	Percent	Total Cost	Per Student Cost	Percent	Total Cost	Per Student Cost	Per-cent
TOTAL Instruction Supplies	$49,000	$140	7.4%	$217,350	$483	8.8%			

STEP 5. *Determine the median salary for full time faculty. (Half of all faculty salaries are above the median. Half are below.)*

	Median Salary For Full Time Faculty		
	Cartwright	Woodbine	Your School
	$8020	$9882	

Median salaries are used as a basis for salary comparisons in the different types of schools since these were the only salaries reported to NAIS this year.

STEP 6. *Determine the average salary for instruction in your school. This includes the salaries of all full time faculty (those who carry a full workload)* and all other faculty including part time administrators who teach part time. Compute the latter group on a full time equivalency basis.* EXAMPLE: *Administrator teaching ¼ time, and two half time teachers equals 1¼ full time teachers.*

	Cartwright	Woodbine	Your School
Number of Full Time Faculty	29	54	
Number of Part Time Faculty	7	10	
Full Time Equivalency of Part Time Faculty	5	6	
Full Time Equivalency of Part and Full Time Faculty	34	60	
Total Instruction Salaries	273,350	595,350	
Average Full Time Equivalency Salary	8,040	9,922	
Median Salary for Full Time Faculty (From Step 5)	8,020	9,882	
% Difference Between Average and Median Salaries	.0025	.009	

Our reasons for having you compute average salaries in the above manner as well as median salaries in Step 5 are to:

a) Alert you to a difference you will encounter as you compare your salary figures with those reported in the budget profiles.

b) Allow you to estimate from your own figures how great that difference might be.

c) Permit you to be consistent in your later calculations of per student cost of faculty salaries (Step 7) and student/faculty ratios (Step 8).

*A study of workload standards in a small sample of NAIS schools is reported on page 81 of Appendix C.

STEP 7. *Determine the per student cost for instruction salaries and their percentage relationship to total per student cost.*

	Cartwright	Woodbine	Your School
Instruction Salaries	$273,350	$595,350	
Enrollment	350	450	
Per Student Cost for Instruction Salaries	781	1,323	
Per Student Total Cost from Step 2	1,886	5,490	
Percent of Instruction Salary to Total Cost	41.4%	24.1%	

STEP 8. *Determine the student faculty ratio in your school*

As in Step 6 include all full and part time faculty and administrators on a full time equivalency basis.

	Cartwright	Woodbine	Your School
Full Time Equivalency of Part and Full Time Faculty	34	60	
Enrollment	350	450	
Student/Faculty Ratio	10.3	7.5	

Further information on the relationship of student/faculty ratio to tuition income and salary expense may be found on page 80 of Appendix C.

A reporting of student/faculty ratio trends from 1962 to present in NAIS Boarding and Day Schools is on page 81 of Appendix C.

A chart of enrollment growth, trends and projections in NAIS Boarding and Day Schools will be found on page 83 of Appendix C.

STEP 9. A) *Determine all income on a per student basis, i.e., income from tuition, other sources (endowment, gifts, public aid, etc.) and total income.*

	Cartwright	Woodbine	Your School
Tuition	$1,450	$3,100	
"Other" Income	329	1,990	
TOTAL INCOME	1,779	5,090	

B) *Compare total income to total expense and record net position.*

	Cartwright	Woodbine	Your School
Total Income	$1,779	$5,090	
Total Expense	1,886	5,490	
NET POSITION	(107)	(400)	

A chart of income trends and sources in NAIS Boarding and Day Schools from 1962 to present may be found on page 82.

STEP 10. *Enter all totals from steps 1 through 9 expressed in terms of per student costs and percentages where they were called for. Determine net balance on a per student basis.*

Step		Cartwright		Woodbine		Your School	
8	Student Faculty Ratio	10.3		7.5			
6	Average Salary	$8040		$9922			
		Per Student	Percent	Per Student	Percent	Per Student	Percent
7	Faculty Salary	$781	41.4%	$1323	24.1%		
4	Instruction Supplies	140	7.4	483	8.8		
2	Student Support	111	5.9	840	15.3		
2	Administration	472.6	25.0	1153	21		
2	Plant	241	12.8	1208	22		
2	Financial Aid	138	7.3	417	7.6		
2	Other	2.4	.2	66	1.2		
	Total Expense	$1886		$5490			
2	Tuition	1450		3100			
9	Other Income	329		1990			
9	Total Income	1779		5090			
9	Net Balance	(107)		(400)			

STEP 11. *Turn to the budget comparison graphs for your type of school and*

a) Enter the information you have assembled in step 10 in the spaces provided for it at the bottom of the page.

b) Graph your budget profile on the graph labeled "your school."

c) You may also want to refer to a description of the distinguishing characteristics of "balanced budget" schools found on page 48.

After completing step 11 turn to page 48 for step 12.

The following two pages illustrate the manner in which Cartwright and Woodbine performed this step.

COEDUCATIONAL DAY SCHOOLS

BUDGET	NUMBER OF SCHOOLS REPORTING	STUDENT-FACULTY RATIO	MEDIAN SALARY	EXPENSES								INCOME			
				FACULTY SALARIES	INSTRUCTION SUPPLIES	STUDENT SUPPORT	ADMINISTRATION	PLANT	FINANCIAL AID	OTHER	TOTAL EXPENSE	TUITION	OTHER	TOTAL INCOME	NET POSITION
A	142	10.9	8260	% 43.3 $ 757	8.4 148	6.6 115	18.6 325	12.1 211	6.2 108	4.8 84	1748	1464	321	1785	37
B	30	10.6	8017	% 42.1 $ 756	7.3 132	5.8 105	19.3 347	12.4 223	5.2 94	7.8 140	1797	1307	324	1631	(166)
C	INSUFFICIENT SAMPLE														
D	35	11.6	8487	% 48.7 $ 732	1.6 24	8.3 124	17.4 262	12.8 193	6 90	5.2 78	1503	1352	347	1699	196
E	9	13	7973	% 53.2 $ 613	2.1 25	4.8 55	17.2 198	12.7 147	5.5 63	4.5 52	1153	1304	107	1411	258
YOUR SCHOOL*		10.3	8040 8020	% $	41.4 781	7.4 140	5.9 111	25 4726	12.8 241	7.3 138	.2 2.4	1886	1450	329	1779	(107)

AVERAGE SALARY
MEDIAN SALARY

NOTES:

*Cartwright figures used as an example

BOYS BOARDING SCHOOLS

BUDGET	NUMBER OF SCHOOLS REPORTING	STUDENT-FACULTY RATIO	MEDIAN SALARY	EXPENSES								INCOME			
				FACULTY SALARIES	INSTRUCTION SUPPLIES	STUDENT SUPPORT	ADMINISTRATION	PLANT	FINANCIAL AID	OTHER	TOTAL EXPENSE	TUITION	OTHER	TOTAL INCOME	NET POSITION
A	48	7.9	7800	% 21.1 $ 987	7.1 334	16.3 763	18.1 847	22.8 1068	5.5 258	9.1 426	4683	3451	1257	4708	25
B	15	7.6	8575	% 21.9 $ 1128	7.7 396	15.9 816	21.1 1083	23 1183	7.8 402	2.6 135	5143	2839	1869	4708	(435)
C	3	8.3	8000	% 21.2 $ 963	6.4 293	13.9 634	14.8 673	22.1 1003	6 272	15.6 710	4548	2922	1626	4548	0
D	6	9.0	7500	% 17.6 $ 833	7.8 370	21.6 1023	13.7 647	31.1 1470	1.6 74	6.6 314	4731	3396	1860	5256	525
E	4	9.2	6980	% 26.3 $ 759	.6 17	16 462	17.5 506	22.6 653	3.3 95	13.7 397	2889	3131	258	3389	500
YOUR SCHOOL*		7.5	9922 9882	% 24.1 $ 1323	8.8 483	15.3 840	21 1153	22 1208	7.6 417	1.2 66	5490	3100	1990	5090	(400)

AVERAGE SALARY
MEDIAN SALARY

NOTES:

*Woodbine figures used as an example

Comparing Your Budget With The Budgets of Other Schools

On pages (40-47) are budget profiles of:

66 Girls Day Schools
70 Boys Day Schools
142 Coed Day Schools
76 Elementary Coed Day Schools
27 Girls Boarding Schools
48 Boys Boarding Schools
54 Coed Boarding Schools
8 Military Schools

The profiles are grouped in different comparative groups.

A. The "Average" school of its type ("A" Budgets)

B. Schools in which total expense exceeded total income by more than 5% ("B" Budgets)

C. Schools in which total income equalled or exceeded expense ("C" Budgets)

D. Schools in which total income exceeded expense by more than 5% ("D" Budgets)

E. Schools in which tuition equalled or exceeded income ("E" Budgets)

The number of schools involved in each category appears with the profile.

All data presented in these budgets was obtained in response to a Financial Information Blank sent to NAIS schools in the early Fall of 1971.

All data, except salaries, are expressed in terms of "averages."

Salaries are reported in terms of medians (see steps 5 and 6).

All schools furnishing data presented it according to the NAIS accounting procedure.

Canadian and Catholic schools are not included in the profiles because they include a mix of boarding and day schools with budget profiles not representative of either.

Military school budgets are reported in the "A" category only ("Average" profile). There were too few schools falling in the other categories to be reported as a representative comparison sample.

GIRLS DAY SCHOOLS

BUDGET	NUMBER OF SCHOOLS REPORTING	STUDENT-FACULTY RATIO	MEDIAN SALARY	EXPENSES								INCOME			
				FACULTY SALARIES	INSTRUCTION SUPPLIES	STUDENT SUPPORT	ADMINISTRATION	PLANT	FINANCIAL AID	OTHER	TOTAL EXPENSE	TUITION	OTHER	TOTAL INCOME	NET POSITION
A	66	9.8	7800	% 42.4 $ 796	6.7 125	6.3 118	19.3 362	13.5 253	5.3 99	6.5 122	1875	1555	315	1870	(5)
B	10	8.5	7178	% 40.5 $ 844	9.6 200	4.6 93	19.1 398	13.6 284	5.6 117	7 146	2082	1607	302	1909	(173)
C	INSUFFICIENT SAMPLE														
D	12	11	7123	% 49.7 $ 647	2.2 29	5.2 68	21.7 283	13 169	5 65	3.2 41	1302	1257	309	1566	264
E	4	13.1	6963	% 54.5 $ 531	1 10	4.9 48	20.6 201	11.7 114	2.9 28	4.3 42	974	994	244	1238	264
YOUR SCHOOL				%											
				$											

NOTES:

BOYS DAY SCHOOLS

BUDGET	NUMBER OF SCHOOLS REPORTING	STUDENT-FACULTY RATIO	MEDIAN SALARY	EXPENSES								INCOME			
				FACULTY SALARIES	INSTRUCTION SUPPLIES	STUDENT SUPPORT	ADMINISTRATION	PLANT	FINANCIAL AID	OTHER	TOTAL EXPENSE	TUITION	OTHER	TOTAL INCOME	NET POSITION
A	70	11.6	9000	% 38.7 $ 775	9.5 191	7.9 158	19.2 385	12.6 253	5.3 107	6.7 134	2003	1687	341	2028	25
B	9	10.7	8784	% 35 $ 839	2.5 59	6.5 156	24.3 583	13.2 317	7.3 176	11.1 265	2395	1823	429	2252	(143)
C	6	11.4	8260	% 42.3 $ 770	4.5 82	12.1 220	18.1 330	13.0 237	6.1 111	3.9 71	1821	1548	273	1821	0
D	14	11.7	8716	% 44.9 $ 744	6.9 114	5.4 90	16 264	13.5 223	4.9 81	8.4 139	1655	1447	442	1889	234
E	8	12	8670	% 49.3 $ 722	4.8 71	5.3 78	18.2 267	15.1 221	4.8 70	2.5 36	1465	1493	99	1592	127
YOUR SCHOOL				%											
				$											

NOTES:

COEDUCATIONAL DAY SCHOOLS

BUDGET	NUMBER OF SCHOOLS REPORTING	STUDENT-FACULTY RATIO	MEDIAN SALARY	EXPENSES								INCOME			
				FACULTY SALARIES	INSTRUCTION SUPPLIES	STUDENT SUPPORT	ADMINISTRATION	PLANT	FINANCIAL AID	OTHER	TOTAL EXPENSE	TUITION	OTHER	TOTAL INCOME	NET POSITION
A	142	10.9	8260	% 43.3 $ 757	8.4 148	6.6 115	18.6 325	12.1 211	6.2 108	4.8 84	1748	1464	321	1785	37
B	30	10.6	8017	% 42.1 $ 756	7.3 132	5.8 105	19.3 347	12.4 223	5.2 94	7.8 140	1797	1307	324	1631	(166)
C	INSUFFICIENT SAMPLE														
D	35	11.6	8487	% 48.7 $ 732	1.6 24	8.3 124	17.4 262	12.8 193	6 90	5.2 78	1503	1352	347	1699	196
E	9	13	7973	% 53.2 $ 613	2.1 25	4.8 55	17.2 198	12.7 147	5.5 63	4.5 52	1153	1304	107	1411	258
YOUR SCHOOL				%											
				$											

NOTES:

COED ELEMENTARY SCHOOLS

BUDGET	NUMBER OF SCHOOLS REPORTING	STUDENT-FACULTY RATIO	MEDIAN SALARY	EXPENSES								INCOME			
				FACULTY SALARIES	INSTRUCTION SUPPLIES	STUDENT SUPPORT	ADMINISTRATION	PLANT	FINANCIAL AID	OTHER	TOTAL EXPENSE	TUITION	OTHER	TOTAL INCOME	NET POSITION
A	76	10.8	7400	% 45.9 $ 686	9.1 136	5.1 76	18.2 272	10.2 152	5.3 79	6.2 93	1494	1312	198	1510	16
B	16	10.2	7491	% 46.1 $ 734	6.4 103	7.2 114	15.4 245	11.4 181	6.8 108	6.7 106	1591	1212	201	1413	(178)
C	NO SAMPLE														
D	16	11.9	6917	% 51 $ 581	6.2 71	5 57	16.3 186	12.2 139	5.2 59	4 46	1139	1088	186	1274	135
E	7	12.5	6994	% 51.3 $ 559	1.8 20	2.7 29	24.5 267	12.5 136	1.9 21	5.3 58	1090	1136	80	1216	126
YOUR SCHOOL				%											
				$											

NOTES:

GIRLS BOARDING SCHOOLS

BUDGET	NUMBER OF SCHOOLS REPORTING	STUDENT-FACULTY RATIO	MEDIAN SALARY	EXPENSES								INCOME			
				FACULTY SALARIES	INSTRUCTION SUPPLIES	STUDENT SUPPORT	ADMINISTRATION	PLANT	FINANCIAL AID	OTHER	TOTAL EXPENSE	TUITION	OTHER	TOTAL INCOME	NET POSITION
A	27	7.2	7350	% 21.9 $ 1021	10.4 484	17.6 820	21.8 1016	18.6 867	4 186	5.7 265	4659	3545	1000	4545	(114)
B	10	6.6	7444	% 22 $ 1128	6.2 315	22.2 1138	22.2 1135	18.9 965	4.5 230	4 203	5114	3666	880	4546	(568)
C	INSUFFICIENT SAMPLE														
D	5	8.4	7609	% 28 $ 905	5.1 166	22.6 730	23.3 753	15.4 498	2.9 94	2.7 87	3233	2840	543	3383	150
E	NONE REPORTED														
YOUR SCHOOL				%											
				$											

NOTES:

BOYS BOARDING SCHOOLS

BUDGET	NUMBER OF SCHOOLS REPORTING	STUDENT-FACULTY RATIO	MEDIAN SALARY	EXPENSES								INCOME			
				FACULTY SALARIES	INSTRUCTION SUPPLIES	STUDENT SUPPORT	ADMINISTRATION	PLANT	FINANCIAL AID	OTHER	TOTAL EXPENSE	TUITION	OTHER	TOTAL INCOME	NET POSITION
A	48	7.9	7800	% 21.1 $ 987	7.1 334	16.3 763	18.1 847	22.8 1068	5.5 258	9.1 426	4683	3451	1257	4708	25
B	15	7.6	8575	% 21.9 $ 1128	7.7 396	15.9 816	21.1 1083	23 1183	7.8 402	2.6 135	5143	2839	1869	4708	(435)
C	3	8.3	8000	% 21.2 $ 963	6.4 293	13.9 634	14.8 673	22.1 1003	6 272	15.6 710	4548	2922	1626	4548	0
D	6	9.0	7500	% 17.6 $ 833	7.8 370	21.6 1023	13.7 647	31.1 1470	1.6 74	6.6 314	4731	3396	1860	5256	525
E	4	9.2	6980	% 26.3 $ 759	.6 17	16 462	17.5 506	22.6 653	3.3 95	13.7 397	2889	3131	258	3389	500
YOUR SCHOOL				%											
				$											

NOTES:

COED BOARDING SCHOOLS

BUDGET	NUMBER OF SCHOOLS REPORTING	STUDENT-FACULTY RATIO	MEDIAN SALARY	EXPENSES								INCOME			
				FACULTY SALARIES	INSTRUCTION SUPPLIES	STUDENT SUPPORT	ADMINISTRATION	PLANT	FINANCIAL AID	OTHER	TOTAL EXPENSE	TUITION	OTHER	TOTAL INCOME	NET POSITION
A	54	8.6	7300	% 20 $ 849	10 422	16.5 701	20.5 872	19 807	7.7 324	6.3 265	4240	3132	994	4126	(114)
B	18	8.9	7836	% 21 $ 880	6.2 259	15.8 661	21.8 914	19.6 821	9.5 399	6.2 262	4196	3141	870	4011	(185)
C	INSUFFICIENT SAMPLE														
D	8	9.2	7357	% 22.1 $ 800	5.7 208	17.7 642	17.3 627	19.9 721	7.8 284	9.4 342	3624	2776	1189	3965	341
E	INSUFFICIENT SAMPLE														
YOUR SCHOOL				%											
				$											

NOTES:

MILITARY SCHOOLS

BUDGET	NUMBER OF SCHOOLS REPORTING	STUDENT-FACULTY RATIO	MEDIAN SALARY	EXPENSES								INCOME			
				FACULTY SALARIES	INSTRUCTION SUPPLIES	STUDENT SUPPORT	ADMINISTRATION	PLANT	FINANCIAL AID	OTHER	TOTAL EXPENSE	TUITION	OTHER	TOTAL INCOME	NET POSITION
A	8	12.6	8100	% 23.5 $ 643	6.8 185	22.6 618	20.6 563	16 437	3 82	7.5 205	2733	2261	524	2785	52
B	INSUFFICIENT SAMPLE														
C	NONE REPORTED														
D	INSUFFICIENT SAMPLE														
E	NONE REPORTED														
YOUR SCHOOL				%											
				$											

NOTES:

Characteristics of "Balanced Budget" Schools

Balanced budget schools (those operating within income) differ from those operating with expenses exceeding income in the following respects:

	Boarding	*Day*
1. Student/Faculty ratios are:	Higher	Higher
2. Per student cost of faculty salary is:	Lower	Lower
3. Percent of instructional materials and supplies is:	Lower	Lower
4. Percent of student support is:	Higher	Lower
5. Percent of Administration is:	Lower	Higher
6. Percent of Plant expense is:	Higher	Higher
7. Percent of Financial Aid is:	Lower	Lower
8. Percent of "Other" is:	Higher	Lower
9. Total operating cost is:	Lower	Lower
10. Tuitions are:	Lower	Lower

Neither geographic location nor size (enrollment) appear to be significantly related to the level of budget balance.

In the sample of 228 schools (176 Day and 52 Boarding) reporting budget comparison data, all regions* had a proportionately comparable number of schools in each of the budget categories (B, C, D, E). Similarly, there was no distinguishing pattern of enrollment in any of the categories.

STEP 12. *Compare your budget profile with the budget profiles of other schools of your type for possible ideas of desired change.*

Both Cartwright and Woodbine are in operating deficit positions. Their interest in the budget comparison was to identify possible routes to a "break-even" situation. In each case the Headmaster, Business Manager, and Board Treasurer were involved in this initial review.

Both schools prepared comparison tables accompanied by notes that are summarized below. This information was then given to the Boards of the two schools as a starting point for additional review and action. (Steps 13 and 14)

Budget Comparison Table

Cartwright	Percentage of Expense										Income		
Budget	S-F Ratio	Median Salary	Per-Student Salary	Instruction Supplies	Student Support	Admin.	Plant	Aid	Other	Expense	Tuition	Other	Total
Cartwright	10.3	8020	41.4	7.4	5.9	25	12.8	7.3	.2	1886	1450	329	1779
A	10.9	8260	43.3	8.4	6.6	18.6	12.1	6.2	4.8	1748	1464	321	1785
B	10.6	8017	42.1	7.3	5.8	19.3	12.4	5.2	7.8	1797	1307	324	1631
C	INSUFFICIENT SAMPLE												
D	11.6	8487	48.7	1.6	8.3	17.4	12.8	6.0	5.2	1503	1352	347	1699
E	13.	7973	53.2	2.2	4.8	17.2	12.7	5.5	4.5	1153	1304	107	1411
Directions of possible change	Increase	No change		Reduce	No change	Reduce	No change	Reduce	No change		No increase	Possible increase	

1. *Student/Faculty Ratio:* Increasing ratio by staff reduction is a threat to morale but a possibility. The Headmaster believed a reduction by no more than one faculty member could be effected without loss to the program. It would mean, however, some added burden to others and a limited amount of schedule change. In terms of S/F ratio this would result in a possible increase from 10.3 to 10.6.

2. *Salary:* Cartwright's present level of average salary was competitive and the school wanted to keep it that way. Therefore the possibility of reducing salaries was ruled out.

3. *Instruction Supplies:* It was believed that supplies could be reduced without imparing instruction, particularly if the major portion of the reduction was at the high school level. Therefore, it was tentatively agreed that supplies might be reduced to a 6% minimum and more in line with the balanced budget schools but not at the expense of quality.

*Mid-Atlantic; South and Southeast; New England; Midwest; West; Southwest; Northwest.

4. *Student Support:* The present level of support was considered to be an important factor as well as reasonable in cost and there was no desire to change it.

5. *Administration:* The headmaster was surprised by the high level of administrative cost. The business manager believed that this account could be reduced by leasing two less vehicles, and using part-time secretarial help.

6. *Plant:* No change was considered necessary here. If students were used to assist in maintenance it was believed that some reduction could be effected. However, it would not be significant.

7. *Financial aid:* This could be reduced to 6.2% if necessary.

8. *Other:* No change was contemplated.

9. *Tuition:* It was believed that the present tuition of $1,450 was the ceiling for the Cartwright community.

10. *Other income:* Annual giving had been generous and it was expected to continue though not increase substantially. Therefore it was not considered as an increase to count on in balancing the budget.

11. *Enrollment:* The Admissions Director believed that Cartwright would receive its normal share of increased enrollment of 1% to 2% per year at the present growth rate. It was therefore reasonable to expect a minimum of four new students for the coming year.

Budget Comparison Table

Woodbine	Percentage of Expense										Income		
Budget	S-F Ratio	Median Salary	Per-Student Salary	Instruction Supplies	Student Support	Admin.	Plant	Aid	Other	Expense	Tuition	Other	Total
Woodbine	7.5	9882	24.1	8.8	15.3	21	22	7.6	1.2	5490	3100	1990	5090
A	7.9	7800	21.1	7.1	16.3	18	22.8	5.5	9.1	4683	3451	1257	4708
B	7.6	8575	21.9	7.7	15.9	21.1	23	7.8	2.6	5143	2389	2319	4708
C	8.3	8000	21.2	6.4	13.9	14.8	22.1	6	15.6	4548	2922	1626	4548
D	9.0	7500	17.6	7.8	21.6	13.7	31.1	1.6	6.6	4731	3396	1860	5256
E	9.2	6980	26.3	.6	16	17.5	22.6	3.3	13.7	2990	3131	258	3389
Directions of Possible change	Increase	No change		Reduce	No change	Reduce	No change	Reduce	No change		Can be raised to $3300	Possible increase	

1. *Student/Faculty Ratio:* The Headmaster believes that Woodbine could afford to increase its S/F ratio to at least 8 to 1 and feel no ill effect. The present workload of full-time faculty was light. (3 scheduled hours and 40 students per full time faculty).

2. *Average Salary:* High salaries were a matter of pride and tradition at Woodbine.

3. *Instruction Supplies:* These appeared to be unnecessarily high and a reduction to 7 or 8% of the budget was considered to be reasonable and possible.

4. *Student Support:* It was felt that the line should be held here. At the present time Woodbine appeared to be spending no more than the general average for student support. Maintaining high standards of support seemed to strengthen student morale.

5. *Administration:* The cost of administration was out of line and could be reduced to 18% if necessary. The business manager felt much of this reduction could be effected by a greater sharing of secretarial help.

6. *Plant:* Woodbine's expense for plant seemed to be reasonable, and over the past three years many economies had been effected. No significant further reduction would probably be possible.

7. *Financial Aid:* The policy of a high level of financial aid was important to Woodbine. They felt diversity among the student body was essential. Nevertheless, there was reluctant agreement that this account could be reduced, but no lower than 6.5% which was 1% higher than the national average.

8. *Tuition:* Woodbine prided itself on a low tuition, but under the circumstances felt an increase to $3,300 maximum would be acceptable.

9. *Other Income:* Woodbine had neglected alumni over the past years in annual giving, and last year had employed a new alumni director whose function it was to stimulate alumni support. It was believed that this support would be forthcoming and that income beyond tuition could be increased to at least $2,000 per student.

10. *Enrollment:* Woodbine had not experienced a drop in enrollment as other boarding schools had over the past three years, and it still admitted from a waiting list. There was no question that they could bring in more students, but this would involve the building of a new dormitory which they felt would be inadvisable at this time.

STEP 13. *Develop alternative plans for budget change.*

For this step the Trustees of Cartwright delegated the task to a committee of 8 composed of the following members:

Treasurer of the Board (to serve as Chairman)

Chairman of the Education Committee

Headmaster

Business Manager

Chairman of the Parent Association and an additional parent representative to be selected by the parent board

President of the Student Council and an additional student representative selected by the Student Council

A similar committee was appointed by Woodbine's Board Chairman charged with the same exploratory and recommending power composed of:

Chairman of the Finance Committee

Chairman of the Long Range Plan Committee

Headmaster

Business Manager

Dean of Faculty

Faculty Member

Dean of Students

President of Student Council

President of Junior Class

Each of the committees set to work and generated the alternatives presented below.

Both schools felt that their first task was to balance the budget for next year and not at this stage of operation consider off-setting deficits that might have occurred over the past two or three years. If the new programs were successful, then perhaps future budgeting could be designed to help write off past obligations. Woodbine's administration felt that they could tap endowment if necessary. In Cartwright's case there was no endowment to tap, although there was an accumulation of surplus income that could be applied to off-setting deficit if that was required. All alternative plans result in break-even budgets.

Cartwright

		Alternative Plans					
PRESENT SITUATION		PLAN A		PLAN B		PLAN C	
		Action	Amount	Action	Amount	Action	Amount
Enrollment	350	Increase to[1]	354	Increase to[1]	354	Increase to[1]	354
Faculty	34	Reduce 1[2]	33	Reduce 1[2]	33	No Change	34
S/F Ratio	10.3	Increase to	10.7	Increase to	10.7	No Change	10.3
Average Salary	$ 8040	Increase[3] 5%	8443	Increase[3] 3%	8281	No Change	8040
Salaries	$ 781	Increase	789	Reduce	774	No Change	781
Instruction Supplies 7.4%	$ 140	Reduce to[4] 6%	113	Reduce to[4] 6.6%	122	Reduce to[4] 7%	132
Student Support 5.9%	$ 111	No Change	111	No Change	111	No Change	111
Administration 25%	$472.6	Reduce to[5] 22%	415	Reduce to[5] 22.8%	430	Reduce to[5] 21.2%	400
Plant 12.8%	$ 241	No Change	241	No Change	241	No Change	241
Financial Aid 7.3%	$ 138	Reduce to[6] 6.2%	116	Reduce to[6] 5.7%	107	Reduce to[6] 6.4%	120
Other .2%	$ 2.4	No Change	2.4	No Change	2.4	No Change	2.4
Total Expense	$ 1886		1787		1787		1787
Tuition	$ 1450	No Change	1450[7] 8	No Change	1450[7] 8	No Change	1450[7] 8
Other	$ 329	No Change	329	No Change	329	No Change	329
Total Income	$ 1779		1787		1787		1787
Net	($107)		0		0		0

Notes on Cartwright Alternatives

Alternative A

1. An estimated enrollment increase of 1% is contemplated in all alternatives and is based on a conservative estimate of the projected Day School enrollment growth for 1972-73.

2. Reduction of faculty by one teacher can be absorbed without cutting back on program though will require some schedule change.

3. 5% increase in faculty salaries was considered desirable, if possible to attain.

4. Reduction of "Instruction Supplies" is planned primarily for the upper levels grades 7-12.

5. Reduction of Administration from 25% will affect administrative supplies, rented automobiles, and part-time secretarial help.

6. 6.2% for Financial Aid is national average.

7. $8.00 net surplus of income over expense per student for the added enrollment has been credited to income.

Alternative B

1. See corresponding notes 1-5 in alternative A.

6. Reduction of Financial Aid to 5.7% (below the national average) was felt to be justifiable if the alternative was survival. Cartwright also noticed that in coed Day Schools with balanced budgets, that the average Financial Aid was 5.7%.

7. See corresponding note in alternative A.

Alternative C

This budget alternative was referred to as the "stand pat" budget with changes only in added enrollment, instruction supplies, administration and financial aid.

See corresponding notes in alternatives A and B.

Woodbine

	PRESENT SITUATION		PLAN A		PLAN B		PLAN C	
		Action	Amount	Action	Amount	Action	Amount
Enrollment	450	No Change	450	No Change	450	No Change	450
Faculty	60	No Change	60	Reduce by 5[1]	55	Reduce by 3[1]	57
S/F Ratio	7.5	No Change	7.5	Increase	8.2	Increase	7.9
Average Salary	$9922	No Change	9922	Increase 5%[2]	10,418	Increase 3%[2]	10,220
Salaries 24.1%	$1323	No Change	1323	Increase 5%[2]	1272	Increase 3%[2]	1294
Instruction Supplies 8.8%	$ 483	Reduce to 7.1%[1]	390	Reduce to 8%[3]	439	No Change	483
Student Support 15.3%	$ 840	No Change	840	No Change	840	No Change	840
Administration 21%	$1153	Reduce to 18.4%[2]	1012	Reduce to 19.2%[4]	1057	Reduce to 18.7%[3]	1025
Plant 22%	$1208	No Change	1208	No Change	1208	No Change	1208
Financial Aid 7.6%	$ 417	Reduce to 6.5%[3]	357	No Change 7.6%	4.7	Reduce to 7%[4]	384
Other 1.2%	$ 66	No Change	66	No Change	66	No Change	66
Total Expense	$5490		5196		5300		5300
Tuition	$3100	Increase[4]	3200	Increase[5]	3300	Increase[5]	3300
Other	$1990	Increase[5]	1996	Increase[6]	2000	Increase[5]	2000
Total Income	$5090		5196		5300		5300
Net	($400)		0		0		0

Notes on Woodbine Alternatives

Alternative A:

1. Reduction of instruction supplies to 7.1% brings it in line with national average.

2. Reduction of Administration to 18.4% brings it in line with national average.

3. Reduction of Financial Aid to 6.5% brings it to 1% higher than national average.

4. Tuition increase to $3,200 still allows it to be $251 under the national average.

5. Increase in "other" income expected from stepped up alumni solicitation drive.

Alternative B:

1. Reduction of faculty by 5 (60 to 55) is estimated to increase workload from present 3 group hours per day and responsibility for 40 students to 3.9 group hours and 47 students (national average for boys boarding schools) and will also require class sections with fewer than 6 students to meet no more than three times weekly. At present all classes meet 4 times per week.

2. 5% salary increase to compensate for added workload. Woodbine's present salary scale is in the high range of the national average.

3. Reduction of instruction supplies to 8% still allows a margin of .9% over the national average.

4. Reduction of Administration to 19.2% (less severe than the reduction in alternatives A and C) is contemplated as a first step in continued reductions over a three year period.

5. $3300 tuition is $151 under national average.

6. A more optimistic estimate of increased alumni support.

Alternative C:

1. Staff reduction of 3 is estimated to increase workload to 3.5 hours and 45 students and will require no reduction in class meetings.

2. 3% salary increase to compensate for modest increase in workload.

3. Administration reduction to 18.7% still allows it to be .7% higher than the national average.

4. Reduction of Financial Aid to 7% compares favorably to 5.5% national average.

5. Tuition and "other" income increase same as Alternative B.

STEP 14. *Evaluate your alternative plans and decide on an action plan*

Several meetings were required for the planning groups of the two schools to develop their alternative plans. During the course of the meetings committee representatives reported back to their constituencies so that by the time choices had to be made there was a generally good knowledge of the issues involved.

Before the alternatives were placed in order of choice for recommendation to the boards, each of the committees considered the following advantages and disadvantages of the different plans.

CARTWRIGHT'S EVALUATION OF ALTERNATIVES

PLAN A

Advantages	*Disadvantages*
1. 5% Faculty salary raise.	**1.** Teacher loss would mean added work for others.
	2. Teacher reduction policy demoralizing.
	3. 1.4% reduction in supplies would cutback on normal increase in or replacement of: **a)** foreign language tapes **b)** science lab equipment **c)** music scores **d)** social science films **e)** art supplies
	4. Loss of one of the leased automobiles and two part-time secretaries.
	5. Reduction of aid might cause loss of good students as well as diversity.

PLAN B

Advantages	*Disadvantages*
1. 3% faculty salary raise acceptable.	**1.** The loss of a teacher would mean added work for others as well as be demoralizing.
2. 6.6% supplies more acceptable than A alternative.	**2.** A reduction of financial aid to 5.7% is more objectionable than the reduction suggested in either of the other plans.
3. Less rigid administrative reduction would allow one of the part-time secretaries to stay on the job.	

PLAN C

1. No teacher loss	**1.** No salary raise
2. About $6000 more supplies available than under A alternative.	**2.** Loss of one rented vehicle; one part-time secretary, and 50% reduction in Headmaster travel and entertainment budget.

Cartwright Committee's Recommendations to the Board

After extensive discussion, the Committee decided to recommend alternative C to the Board as its first priority. Since each alternative was designed to result in a balanced budget, the headmaster could have selected one virtually at random and achieved the same financial result. The purpose in convening the Committee and giving its members a role in the development and selection of the alternative to be implemented was two-fold. First, the headmaster wanted the alternative that was chosen to be widely acceptable throughout the school and selected Committee members who would support the committee's recommendation once it was made. Second, he wanted to consult with the people who would be most affected by the changes — on the theory that if they participated effectively in this decision, they would develop a sense of efficacy and confidence that would carry over to longer range issues.

In addition the Committee proposed to the Board that it accept in principle the notion that the student/faculty ratio would increase in the following year. Based on that premise, the Committee further proposed that the Board authorize a study of alternative ways of organizing instruction which would require fewer teacher-student contact hours. The Board approved the Committee's proposal.

WOODBINE'S EVALUATION OF ALTERNATIVES

PLAN A

Advantages	*Disadvantages*
1. No reduction in faculty size.	**1.** No faculty salary increases would be demoralizing to faculty and somewhat humiliating to school.
	2. 1.7% reduction in instruction supplies means approximately a 20% cut in departmental budgets and is loudly opposed by department chairmen.
	3. 3 administrative secretaries would be let go.
	4. Financial aid reduction was difficult to accept in the light of the school's policy of diversity.
	5. $100 tuition increase.

PLAN B

1. 5% faculty salary increase desirable.	**1.** 8 + % cut in faculty size creates a potential morale problem as well as reduction in scheduled class hours for some groups.
2. 1 administrative secretary would have to leave but this was less severe than alternative A.	**2.** .8% reduction in instruction supplies amounted to 10% cut in departmental expenses which was objected to but not violently opposed by department heads.
3. No change in financial aid desirable.	**3.** $200 tuition increase might reduce enrollment interest.
	4. Increase alumni giving by 2% might be difficult.

PLAN C

1. Less drastic reduction in faculty size than Plan B	**1.** Faculty reduction by 5% creates uneasiness.
2. 3% salary increase acceptable.	**2.** No cut in departmental budgets wins favor.
	3. Administrative reduction will require letting 2 secretaries go.
	4. Financial aid of .6% reduction was opposed but not violently so.
	5. Increased tuition and alumni giving same disadvantages as in Plan B.

Woodbine Committee's Recommendation to the Board

The Woodbine Committee elected alternative C as an acceptable first priority compromise. It would mean that normal attrition for the coming year would account for the proposed .05 reduction in faculty size. Thus no faculty member would be let go and all would receive a modest salary increase. This Committee, like the Cartwright Committee was also prompted to make a long-term proposal. They recommended that the Board approve a study of a full year program. Such a program might make it possible for the school to increase its enrollment with only minor capital expenses and likely would provide extended employment for teachers who wanted it. The Board considered the proposal and made a counter proposal: that the life of the Committee be extended so that it could examine several alternative proposals that would achieve some of the same results. This was agreed and the Committee set to work.

The hypothetical cases above describe the outcomes of the budget analysis in the two illustrative schools. They are intended to indicate the desirability of having a committee discuss several alternatives and endorse one. The same point could have been made by reference to research studies or to the experience of the Project staff. This approach to arriving at a decision is entirely consistent with the characteristics of a strong, resourceful school described in the introduction. The next stage for both schools will take them into the kinds of planning activities described in the two sections of the handbook on the logical aspect and the human aspect. Thus we should conclude this section by stressing the inter-relationship between financial, logical and human planning. One without the other has limited potential; together they can lay the foundation for stronger and more flexible schools.

PROGRAM BUDGETING FOR INDEPENDENT SCHOOLS

The financial pressures of recent years have made many independent school headmasters (*) aware of a limitation in conventional school budgets that was always present but never before bothersome:

Conventional school budgets bear very little informative relationship to what is important about schools – their educational programs – and offer little help in dealing with decisions and plans where program and financial matters are inseparable.

This limitation has always been present in budgets that emphasize salaries, materials, plant operations and other items that schools spend money *on*, rather than the educational programs that schools spend money *for*. When financial conditions are favorable there are sufficient resources to do most of what is needed and to provide a cushion that will cover overcommitments or inaccurate estimates. Decisions about educational programs can be made, and, one way or another, the financial support to meet expenditure commitments can be found.

Financial pressures are accompanied by the need to look very closely at proposed expenditures and, frequently, to find ways of reducing or eliminating current programs. Faced with limited financial resources, the headmaster must compare various educational programs, both in their educational importance and their costs. He must decide which shall be favored and which sacrificed, in terms of both current year and future expenditures on faculty, textbooks, and other instructional materials. In order to do this, he needs budgetary and expenditure information that will tell him how much particular areas of his school's program cost in total. Conventional budgets tell him instead total faculty salaries, total materials, and other aggregated cost figures.

The program budget was designed to meet administrators' needs for accurate program data by organizing financial information according to school programs (as a particular headmaster defines them) and providing sufficient detail to make it possible to deal with program and financial matters together in making decisions and plans that range from very broad to very narrow.

Program budgeting is an approach that should be considered seriously by any headmaster who wants to do more than his school's financial resources permit, for he has a resource allocation problem that conventional budgets cannot solve and program budgets were designed to solve.

This chapter attempts to help headmasters explore four questions about program budgeting:

1. What is program budgeting?
2. What are the uses of program budgeting?
3. What factors should be considered in developing and implementing program budgeting?
4. How should a headmaster decide whether or not to adopt program budgeting?

The Nature of Program Budgeting

A conventional budget and a program budget for the same school will add up to the same total; that is, the bottom-line figures will be identical for both budget presentations. The major difference between the two types of budget is in the way financial data is organized and, consequently, the uses for which the budgets are most appropriate.

The basic line-items may be combined into functional categories such as instructional support, administration, and so forth. Usually, however, budget figures cannot be linked to specific programs (services or purposes) of the school. Conversely, it is, as a rule, not possible to determine the financial resources devoted to the support of a given program.

The limitations of the conventional budget can be explored by examining a budget format following the NAIS accounting framework (See Exhibit 1). Suppose, for example, the headmaster responsible for this budget wished to examine the cost of a particular subject area, secondary science education, in relation to his assessment of the quality of its instruction and its contribution to the school's broader objectives. Generally he would find that the faculty salaries, fringe benefits, instructional materials, laboratory equipment and facilities, textbooks, and other resources which – taken together – provide secondary science education were buried in separate budget accounts comprising all faculty salaries, all fringe benefits, all materials, and so forth. He would have no ready access to the financial information concerning, for example:

- the proportion of the total budget devoted to secondary science;
- the relative emphasis placed on secondary science as opposed to, say, elementary science or secondary mathematics; and
- possible alternative plans for reducing or increasing resources devoted to secondary science in ways that make sense both financially and educationally.

The reason a conventional budget offers little help in dealing with these kinds of questions is simply that it

(*) "Headmaster" is used throughout this section to refer to both the headmaster and trustees, key administrators and faculty members, and others who may be involved in school policy making.

is not designed for this purpose. The conventional budget is well suited for financial record keeping and expenditure control. It is not suited to review, analysis, or planning activities aimed at determining how well a school is employing its financial resources to meet its objectives, or what changes might be made to meet objectives better by shifting expenditures.

EXHIBIT 1

Conventional Budget Format

Instruction:	
Faculty salaries	$148,200
Department supplies, expenses, and equipment	29,350
Chapel	2,050
Library	25,050
Athletics	7,950
	212,600
Student support services:	
Residence halls	70,500
Food service	102,500
Health service	10,650
Student guidance and counseling	15,000
Student store	55,300
Snack bar	19,600
Student transportation	3,150
	276,700
Student activities:	
Newspaper	3,500
Dramatics	9,050
Band	2,100
Entertainment	5,200
Student clubs	1,750
	21,600
Summer school and other programs:	
Summer school	55,000
Adult education	10,000
	65,000
Operation and maintenance of physical plant:	
Salaries and wages	81,350
Supplies, expenses and equipment:	
Buildings	43,600
Grounds	10,900
Equipment	11,500
	147,350
General and administration:	
Salaries	50,900
Governing Board	2,400
Headmaster's office	5,250
Dean's office	2,500
Admissions office	2,850
Business office	4,375
Alumni office	2,775
	71,050
General institutional:	
Employee benefits	19,600
Information and communications	10,250
Insurance	5,200
Commencement	1,100
Miscellaneous	650
	36,800
Total educational and general	$831,100

Source: ACCOUNTING FOR INDEPENDENT SCHOOLS, National Association of Independent Schools, Boston, 1969, page 70.

The Program Budget

The program budget was designed to facilitate analysis of the budget in terms of programs and purposes. Stated simply, a program budget clarifies and reports a school's financial information according to the programs (services or purposes) that budgeted or expended amounts are intended to support. Salaries, benefits, materials, plant, and other objects of expenditure are associated with the program they support, such as upper school mathematics, English, or athletics, rather than with other expenditures of the same type, such as all salaries.

The best way to understand a program budget and its potential usefulness is to look at one. The example presented in the exhibits on the following pages is the outcome of a change from a line-item to a program budget in the Milford, New Hampshire, Public School System. A public school system is used for two reasons. First, a fully-developed example of a program budget was not encountered in the course of this Project, though it should be noted that there may be such an example and that several independent schools are actively working toward program budgeting in 1972. The second reason is that the Milford program budget represents a sound development effort which has been clearly described in a readily available pamphlet (*).

There are many differences in characteristics, circumstances, and specific budget items between the Milford Public School System and a typical independent school. The fundamental concepts and techniques of program budgeting, however, are the same. It will not be difficult to see parallels between the kind of budget format developed for Milford administrators and the format a headmaster might find appropriate for his school.

(*) Durstine, Richard M., and Robert A. Howell. *Toward PPBS: Program Budgeting in a Small School District.* Newton, Massachusetts: New England School Development Council, 1970. Used with permission of the New England School Development Council.

The Milford program budget presentation will be examined first, followed by a brief discussion of the development process and the choices made in designing the format or classification system. The Milford budget for one academic year is shown in the exhibits that follow:

Exhibit 2: The total academic year program budget, also showing a breakdown by level of education.

Exhibit 3A: A program budget breakdown of the elementary level budget

3B: A program budget breakdown of the secondary level budget

3C: A program budget breakdown of that part of the school system budget which cannot be allocated to either the elementary or secondary levels.

EXHIBIT 2

Milford 1969-70 School Budget by Level in Program-Oriented Form

	Elementary Level	Secondary Level	System (Unallocated)	Total
1 *Instruction* (Total)	$ 344,355	$ 600,397	$ 300	$ 945,052
10 General instr.	680	1,350	300	2,330
11 Elementary Acad.	300,920	—	—	300,920
12 Secondary Acad.	—	429,385	—	429,385
13 Secondary Voc.	—	108,781	—	108,781
14 Enrichment	13,740	47,971	—	61,711
15 Special Educ.	23,765	7,660	—	31,425
16 Substitutes	5,250	5,250	—	10,500
2 *Instructional Support* (Total)	$ 8,905	$ 95,944	—	$ 104,849
21 Library and AV	4,345	41,770	—	46,115
22 Guidance	—	34,053	—	34,053
23 Student Activ.	200	3,320	—	3,520
24 Athletics	—	16,801	—	16,801
25 Reading Consult.	4,360	—	—	4,360
3 *Other Services* (Total)	$ 2,680	—	$ 38,265	$ 40,945
31 Transportation	—	—	27,015	27,015
32 Health	—	—	11,250	11,250
33 Speech Therap.	2,680	—	—	2,680
4 *Plant* (Total)	$ 102,030	$ 320,183	$ 24,698	$ 446,911
41 Staff	22,900	38,225	6,665	67,790
42 Operations	18,405	42,200	3,950	64,555
43 Maintenance	8,660	4,160	6,800	19,620
44 Capital	7,841	23,430	—	31,271
45 Debt Service	44,224	212,168	7,283	263,675
5 *Administration* (Total)	$ 17,385	$ 58,105	$ 70,359	$ 145,869
51 Staff	16,275	49,775	—	66,050
52 Operations	$ 1,110	$ 8,330	$ 30,975	$ 40,415
53 Town Admin.	—	—	2,444	2,444
54 Superv. Union	—	—	36,960	36,960
Grand Total 1969-70	$ 475,355	$1,074,629	$ 133,642	$1,683,626
Grand Total 1968-69	$ 401,451	$ 849,288	$ 129,844	$1,380,583

Source: Durstine & Howell, page 23.

EXHIBIT 3A

Milford Elementary Level Budget in Program-Oriented Form

	1969-1970
1.1 Instruction (Total)	$ 344,355
1.10 General Instruction	680
1.11 Elementary Academic (Total)	$ 300,920
1.111 First Grade	58,502
1.112 Second Grade	52,684
1.113 Third Grade	48,737
1.114 Fourth Grade	48,948
1.115 Fifth Grade	42,472
1.116 Sixth Grade	49,577
1.14 Enrichment (Total)	$ 13,740
1.142 Art	—
1.143 Music	6,880
1.145 Elementary French	6,860
1.15 Special Education (Total)	$ 23,765
1.151 Special Class	13,845
1.152 Trainable Class	9,920
1.16 Substitutes	$ 5,250
1.2 Instructional Support (Total)	$ 8,905
1.21 Library and AV	$ 4,345
1.22 Guidance	$ —
1.23 Student Activities	$ 200
1.25 Reading Consultant	$ 4,360
1.3 Other Services (Total)	$ 2,680
1.33 Speech Therapist	$ 2,680
1.4 Plant (Total)	$ 102,030
1.41 Staff	$ 22,900
1.42 Operations	$ 18,405
1.43 Maintenance	$ 8,660
1.44 Capital	$ 7,841
1.45 Debt Service	$ 44,224
1.5 Administration (Total)	$ 17,385
1.51 Staff	$ 16,275
1.52 Operations	$ 1,110
Grand Total	$ 475,355

EXHIBIT 3B

Milford Secondary Level Budget in Program-Oriented Form

	1969-1970
2.1 Instruction (Total)	$ 600,397
2.10 General Instruction	$ 1,350
2.12 Secondary Academic (Total)	$ 429,385
2.121 English	99,743
2.122 Foreign Language	51,366
2.123 Mathematics	84,740
2.124 Science	79,476
2.125 Social Studies	80,010
2.126 Physical Education	34,050
2.13 Secondary Vocational (Total)	$ 108,781
2.131 Business Education	37,983
2.132 Home Economics	23,739
2.133 Industrial Arts	47,059
2.14 Enrichment (Total)	$ 47,971
2.141 Reading	16,954
2.142 Art	14,732
2.143 Music	16,285
2.15 Special Education (Total)	$ 7,660
2.151 Special Class	7,660
2.16 Substitutes	$ 5,250
2.2 Instructional Support (Total)	$ 95,944
2.21 Library and AV	$ 41,770
2.22 Guidance	$ 34,053
2.23 Student Activities	$ 3,320
2.24 Athletics	$ 16,801
2.4 Plant (Total)	$ 320,183
2.41 Staff	$ 38,225
2.42 Operations	$ 42,200
2.43 Maintenance	$ 4,160
2.44 Capital	$ 23,430
2.45 Debt Service	$ 212,168
2.4 Administration (Total)	$ 58,105
2.51 Staff	$ 49,775
2.52 Operations	$ 8,330
Grand Total	$1,074,629

EXHIBIT 3C

Milford System Budget (Unallocated by Level) in Program-Oriented Form

	1969-1970
3.1 Instruction (Total)	$ 300
3.10 General Instruction	$ 805
3.3 Other Services (Total)	$ 38,265
3.31 Transportation	$ 27,015
3.32 Health Services	$ 11,250
3.4 Plant (Total)	$ 24,698
3.41 Staff	$ 6,665
3.42 Operations	$ 3,950
3.43 Maintenance	$ 6,800
3.45 Debt Service	$ 7,283
3.5 Administration (Total)	$ 70,359
3.52 Operations	$ 30,975
3.53 Town Administration	$ 2,444
3.54 Supervisory Union	$ 36,960
Grand Total	$ 133,642

Source: Durstine & Howell, pp. 24-26.

Comparing this budget presentation with the conventional budget presentation shown in Exhibit 1 reveals several distinguishing features of a program budget.

- The program budget accentuates how the school is spending money in relation to the overall purposes for which it exists, educating children, and places in a secondary role the paying of salaries, maintaining of facilities, and other supportive activities.
- The program budget invites the administrator to make numerous comparisons, e.g., elementary versus secondary expenditures, instruction versus instructional support, science versus foreign language, etc.
- The program budget makes it possible to follow a line of questioning about program costs through successively greater detail.

It is worth illustrating the last point, because it demonstrates how the budget presentations are related and, more basically, how a program budget is put together. The diagram below illustrates the categories and relationships of financial information for the following set of questions:

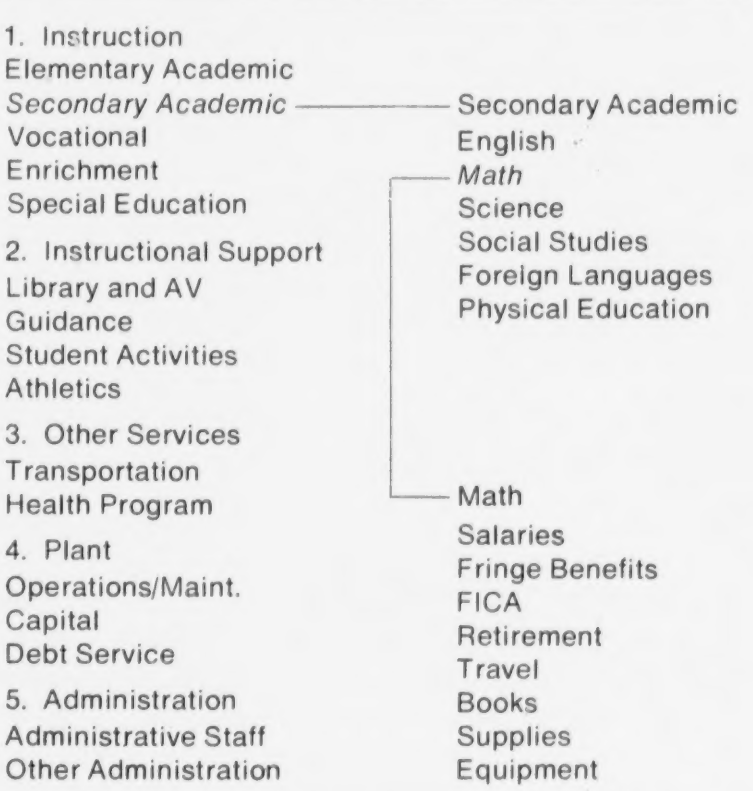
- How much are we devoting to secondary education?
  $1,074,629 (from Exhibit 2 or 3B)
- Of that total, how much for secondary instruction?
  $600,397 (from Exhibit 2 or 3B)
- How much for secondary academic instruction?
  $429,385 (from Exhibit 2 or 3B)
- Of the total for secondary academic instruction, how much are we spending on mathematics?
  $85,740 (from Exhibit 3B)
- How much of our mathematics budget is devoted to salaries versus books and other materials?

Program Cost: Mathematics

Salaries	$70,720
Benefits, etc.	7,610
Textbooks	1,234
Supplies, etc.	5,175
	$84,739

(not shown in exhibits, but available in back-up data on objects of expenditures)

EXHIBIT 3D



Source: Adapted from Durstine & Howell, page 22.

In addition to the program budget presentation itself, a feeling for the development process and the headmaster's flexibility in tailoring a budget to his own school is helpful to understanding the basic approach.

There are two essential tasks involved in the establishment of program budgeting:

- defining the program dimensions around which financial information (budgets and expenditures) will be organized and presented, and
- establishing a set of accounting codes and procedure that will enable budgets and expenditures to be classified in the framework of the program dimensions chosen.

The definition of program dimensions is the critical task as far as the top administrator is concerned. The choice and arrangement of program dimensions involves a decision by the headmaster as to how he wants to look at his school for purposes of decision-making. That is, in what categories and subcategories does he want to group what his school provides, and on what levels does he want these categories arranged for aggregating financial information? The kinds of categories considered by school administrators in drawing up program budgets have included:

- disciplines, broken down by broad discipline areas (science, humanities, social sciences, etc.) or specific subjects or courses (physics, chemistry, biology, etc.);
- level of education, broken down by broad distinctions (elementary, secondary or, more narrowly, primary, intermediate, junior high, senior high or individual grade levels);
- classroom instruction versus instructional support (non-classroom); and
- basic versus supplementary, particularly in cases where there is a core or required curriculum and also less essential, elective educational offerings.

Determining the levels of these categories in the program budget format involves a decision by the headmaster as to how he wants financial information aggregated. Thus, one headmaster may wish to see the elementary and secondary budget total at the first and most aggregate level, with disciplines or other breakdowns at lower levels. Another may wish to consider the total budget by discipline categories first, breaking down each discipline budget by elementary-secondary, grade level, or other categories at a lower level.

The categories, levels, and accounting codes developed for the Milford program budget, shown in Exhibit 4, illustrate one possible choice and arrangement of dimensions:

Level	*Nature of Categories*
1.	Educational level, with elementary, secondary and system (unallocated) categories
2.	Broad function (instruction, instructional support, etc., categories) and finer breakdowns into categories which vary (e.g., for instruction, "general instruction," elementary academic, etc.)
3.	A finer breakdown that, for instructional programs, reflects an administrative decision to look at budgetary information by grade at the elementary level and by discipline or subject area at the secondary level.
4.	Objects of expenditure, which will be identical or similar to the lowest level breakdown in a line-item budget.

The codes form a self-explanatory six digit coding system that enables budget expenditure information to be classified in the framework of the dimensions chosen.*

Thus, the salaries of the secondary mathematics faculty would be coded "2.123.11" to express the following:

Level	*Digit*	*Code*	*Category*
1.	1	2	Secondary Level of Education
2.	2	1	Instruction
	3	2	Secondary Academic
3.	4	3	Mathematics
4.	5	1	Professional Staff
	6	1	Salaries

The decimal points in the code are for clarity, breaking the code into Level of Education (1), Program Characteristics (2. & 3.), and Object of Expenditure (4) distinctions.

(*) The budget figures in Exhibits 2 & 3 show only the first four digits, since objects of expenditure are not reported in these summary presentations. Fitting budget and expenditure data to program budget codes, it should be noted, can be a demanding task, particularly during the transitional period. Although accounting details are beyond the scope of this report, some of what is involved can be illustrated by an excerpt from the report on the Milford program budget development.

"Teachers' time and costs are allocated by grades at the elementary level and by programs at the secondary level. Split assignments and salary variations are taken into account. Budgeted costs of supplies and texts are prorated according to enrollment at the elementary level because detailed allotment information was not available by grade. At the secondary level, detailed supporting records from the superintendent's office made allocation of textbook expenditures by program possible. Supporting records also made possible the explicit breakdown of totals by program through painstaking analysis of class schedules, teacher assignments and enrollment. For those expenditures where information was unavailable, we prorated expenditures to programs according to their size." (Durstine & Howell, page 19)

EXHIBIT 4

Milford Program Budget Levels, Categories and Codes

LEVEL I

Code Digit 1	Categories
1	*Elementary Level*
2	*Secondary Level*
3	*System* (unallocated by Level)

LEVEL II

Code Digits 2, 3	Categories
1	*Instruction*
10	General Instruction
11	Elementary Academic
12	Secondary Academic
13	Secondary Vocational
14	Enrichment
15	Special Education
16	Substitutes
2	*Instructional Support*
20	General Instructional Support
21	Library and AV
22	Guidance
23	Student Activities
24	Athletics
25	Reading Consultant
3	*Other Services*
30	Other Services, General
31	Transportation
32	Health Services
33	Speech Therapist
4	*Plant*
40	Plant, General
41	Staff
42	Operations
43	Maintenance
44	Capital
45	Debt Service
5	*Administration*
50	Administration, General
51	Staff
52	Operations
53	Town Administration
54	Supervisory Union

LEVEL III

Code Digits 2, 3, 4	Categories
111	First Grade
112	Second Grade
113	Third Grade
114	Fourth Grade
115	Fifth Grade
116	Sixth Grade
121	English
122	Foreign Language
123	Mathematics
124	Science
125	Social Studies
126	Physical Education
141	Reading
142	Art
143	Music
145	Elementary French
151	Special Class
152	Trainable Class
421	Heat
422	Utilities
425	Plowing
441	Equipment for Plant
442	Buildings
443	Sites
451	Principal
452	Interest
453	Charges
521	Insurance
522	Federal Lunch
523	Tuition
524	Curriculum Project
525	State Testing
526	NEEDS (New England Educational Data System)
531	School Board
532	Treasurer
533	Clerk
534	Moderator
535	Auditor/Legal
536	Police
537	Checkers of Checklist
538	Census
539	Attendance Service

LEVEL IV

Code Digits 5, 6	Categories
1	*Professional Personnel*
11	Salaries
12	Benefits
13	FICA
14	Retirement
2	*Employees*
21	Salaries
22	Benefits
23	FICA
24	Retirement
3	*Activities*
31	Dues, etc.
32	Travel Expense
4	*Materials And Supplies*
41	Textbooks
42	Reference and Library Books
43	Professional Books
44	Operating Supplies
45	AV Supplies
5	*Equipment*
51	Purchase
52	Replacement
53	Service
54	Repairs
6	*Direct Expenditure*
61	Rents
62	Purchased Service
64	In-Out Transfer

Source: Durstine & Howell, pp. 21.22.

A Program Budget as the Headmaster's Creation

It was noted that the choice of program dimensions is a task for the headmaster, and the Milford program budget reflects a number of administrative choices made during its development. Examples of choices made in the Milford development that a headmaster could, if he wished, make differently include:

- the decision to break down elementary academic instruction by grade level rather than discipline, because of the difficulty in allocating costs to disciplines in a school system having self-contained elementary classrooms. A headmaster might feel that discipline-oriented elementary categories were worth the effort, or be sufficiently departmentalized at the elementary level to make allocation of faculty salaries and other costs to disciplines a much easier task;
- the decision to classify secondary instruction by subject area (e.g., foreign language) but not by specific course (e.g., Latin) or grade level. Again, it is quite feasible, if desired, to replace or supplement the subject area classification with course and grade level categories.

The fact that headmasters make these and other choices accentuates the flexibility of program budgeting. It is simply a means to organize and present budgetary and expenditure information so that administrators can better decide how to use available financial resources to achieve what is important to the school. The manner in which "what is important" is defined and structured – the choice of program dimensions – is determined by the headmaster, based on how he wants to look at his school.

THE USES OF PROGRAM BUDGETING

A major element of the headmaster's job concerns the management of resources to ensure that the school's expenditures are devoted to areas of the school's program in a manner that reflects overall goals and priorities. Weak areas must be strengthened, frequently through the expenditure of more money. Program areas that have grown out of proportion to their importance must be cut back in favor of others. The headmaster's own desires for improvement and change frequently carry a price tag that exceeds the financial resources available, and various departments and faculty members have their own "shopping lists" of necessary and urgent projects to add further demands on a limited pool of funds. These various desires and needs are in competition, and decisions must be made as to which will be supported and which rejected – now and in the future. In many schools, headmasters face financial pressures that create a less pleasant task: deciding what aspects of the present program will be reduced or eliminated.

A program budget is designed to serve the headmaster as he carries out his role as manager and planner. It does not "make" decisions. Neither does it produce financial estimates, or judgments as to the educational benefits provided by a given program, or assessments of the strengths and weaknesses of existing programs. What a program budget does provide is a framework within which to balance and compare education and costs on a regular and systematic basis. Conventional budgets typically neither facilitate nor stimulate attention to the kinds of review, analysis, and planning activities involved in managing resources. Program budgets have evolved with precisely these activities in mind.

Some of the uses of program budget presentations have been described in previous sections. It is important to discuss two further uses of program budgeting as it affects the task of managing and planning for the allocation of resources:

- comparing expenditures in school programs to identify and correct imbalances between educational priorities and the allocation of financial resources; and
- making specific program decisions.

Comparing Programs to Identify and Correct Imbalances

A program budget, because it presents program-related financial data systematically and comparably for each of the important functions or services chosen by the headmaster, tends to reveal areas in which expenditures are out of line with the overall priorities of the school. Many administrators who have implemented program budgeting have been surprised to discover that a function they had considered central to their organizations consumed many fewer dollars than secondary or even peripheral activities. The United States Post Office, long noted for archaic operations, learned part of the reason why improvements were not forthcoming when a program budget, implemented in the mid-1960's, revealed that less than $15 million of its gigantic budget was devoted to research and development. Knowledge of this sort does not, of course, automatically produce action. But it helps.

Comparing total expenditure or budget figures reveals little about program and financial relationships unless they are related to the number of pupils served; that is,

unless they are placed on a per pupil basis. (*) This point can be illustrated by returning to the Milford School System program budget and working through a hypothetical example of the process of identifying and correcting imbalances among priorities. Exhibits 5A – 5D show several types of budget information for two academic years, using secondary academic instruction and secondary mathematics as examples. The analytical process followed by a headmaster and his staff might be the following:

- Examination of the 1968-69 budget information in Exhibit 5A (column I) shows that foreign language and mathematics have the lowest budgets, raising questions as to whether these subject areas are receiving enough attention.
- Analysis of per pupil budget information for 1968-69 (Exhibit 5B, column I) indicates that foreign language, with a relatively small number of pupils, has a very high budget per pupil; mathematics has a lower per pupil budget, at least partly because of larger class sizes
- Exploring mathematics further, using both budgetary information (Exhibit 5C, column I) and knowledge about the mathematics faculty and other aspects of the mathematics program, leads to decisions to increase the number and experience of mathematics faculty members as well as changes in other aspects of the program. These changes and the additional resources they require are expressed in the 1969-70 budget column of Exhibit 5C (column II), which also shows the percentage changes in various aspects of the mathematics program.
- Reporting the changes made in the 1969-70 budget presentation (Exhibit 5D), and showing the new 1969-70 budget allocations (Exhibit 5A, column II) and the new per pupil budget figures (Exhibit 5B, column II).

EXHIBIT 5A

Secondary Academic Instruction Budget

		1. 1968-1969	2. 1969-1970
2.1 Instruction			
2.12 Secondary Academic			
2.121	English	$ 89,427	$ 99,743
2.122	Foreign Language	47,005	51,366
2.123	Mathematics	59,373	84,740
2.124	Science	66,710	79,476
2.125	Social Studies	71,075	80,010

(*) The usefulness of performing per pupil analysis of expenditures and budget information in conventional budget and accounting formats has been described in another chapter of this report.

EXHIBIT 5B

Secondary Academic Instruction Budget Per Pupil

Per Pupil by Program

		PPLS	1. 1968-1969 PPL/TR	2. 1969-1970 $/PPL	$/PPL
2.12 Secondary Academic					
2.121	English	1272	23.1	$70.	$ 78.
2.122	Foreign Language	480	18.5	98.	107.
2.123	Mathematics	1040	25.4	57.	81.
2.124	Science	975	23.8	68.	82.
2.125	Social Studies	869	21.7	82.	92.

EXHIBIT 5C

Secondary Mathematics Analytical Information

2.123 Mathematics Program

	1. 1968-1969	2. 1969-1970	% Change
Student Enrollment	1040	1040 (est.)	2
Numbers of Teachers	8.4	9.7 (budgeted)	15
Program Cost:			
Salaries	$51,000	$70,720	39
Benefits, etc.	4,428	7,610	73
Textbooks	1,035	1,234	19
Supplies, etc.	2,910	5,175	74
	$59,373	$84,739	42%
Average Class Size	25.4	21.8 (est.)	(-14%)
Cost per Student	$57.00	$81.50	42
Cost per Teacher	$7050	$8750	24

EXHIBIT 5D

Secondary Mathematics Budget Presentation

2.123 Mathematics – During 1968 – 69, mathematics represented the lowest relative level of financial input of the four major academic areas of English, mathematics, science and social studies. Not only were class sizes larger in 1968 – 69, but also the experience factor and consequent salary level of the mathematics faculty were lower. Steps have been taken to correct this differential, and an increased number of experienced faculty have been assigned to this area, making mathematics comparable to science and social studies in 1969 – 70. The introduction of a computer terminal has added further expense.

Source: Durstine & Howell, pp. 25, 79, 33, 30.

This illustration, showing an increase in budget for mathematics and other course areas, is unrealistic to many independent schools facing financial pressures. The process is the same, however, for the headmaster who must plan reductions in programs having

expenditures that are out of line on the high side (e.g., should Milford be spending $98 to $107 per pupil on foreign language when only $70 to $78 is allocated to English?).

The variety and uses of per pupil expenditure and budget data in program format goes far beyond individual program areas. Using Milford data again, Exhibit 6A shows budget per pupil totals for the elementary and secondary levels of education. Note that budgeted amounts that cannot be allocated to either level, such as the costs of running the main office, are allocated equally to all pupils. Exhibit 6B shows the budget per grade per pupil at the elementary level. Both types of figures are useful for detecting imbalances in the educational program and, in independent schools, may be helpful in reviewing tuition policy as well.

Per pupil figures organized by object of expenditure can be obtained from program budget information just as they can from conventional budget information. Exhibit 7 shows the per pupil costs of instruction and instructional support in the Milford program budget. Note that the individual object of expenditure categories are more inclusive than they would be in a program budget. "Professional Staff", for example includes secondary faculty salaries plus benefits, insurance and other benefits associated with the employment of the professional staff.

Making Decisions concerning the Educational Program

The analysis of Milford's secondary mathematics program illustrated how program budgeting can facilitate planning and decision making. A program budget provides only part of the information required, but it provides this information easily and systematically for all school programs. This is an important attribute if the headmaster wishes to make individual decisons in the context of a broader plan encompassing the balance and quality of the school's overall programs.

EXHIBIT 6A

Budget Per Pupil Summary by Educational Level

	1968-1969	1969-1970
Elementary Level Total	$ 583.	$ 680.
Allocated to Elementary Level	518.	613.
Unallocated by Level	65.	66.
Secondary Level Total	$ 751.	$ 935.
Allocated to Secondary Level	687.	869.
Unallocated by Level	65.	66.

Source: Durstine & Howell, page 76.

EXHIBIT 6B

Elementary Academic Instruction Per Pupil

Per Pupil by Grade

		1968-1969 PPLS	PPL/TR	$/PPL	1969-1970 PPLS	PPL/TR	$/PPL
1.11	*Elementary Academic*						
1.111	First Grade	117	19.5	$ 441.	116	19.4	$ 504.
1.112	Second Grade	134	22.3	361.	117	19.5	450.
1.113	Third Grade	131	26.2	292.	134	22.3	364.
1.114	Fourth Grade	130	26.0	316.	131	26.2	374.
1.115	Fifth Grade	128	25.6	299.	130	260	327.
1.116	Sixth Grade	116	29.0	297.	128	25.6	387.

Source: Durstine & Howell, page 78.

EXHIBIT 7

Elementary Level Budget for Instruction and Instructional Support Per Pupil by Object of Expenditure

		1968-1969	1969-1970
Total For Instruction		$ 371.	$ 444.
1	Professional Staff	332.	399.
2	Employees	17.	28.
3	Activities	0.5	0.4
4	Materials and Supplies	18.	16.
5	Equipment	3.	0.6
6	Direct Expenditure	0.5	0.5
Total For Instructional Support		$ 24.	$ 11.
1	Professional Staff	17.	6.
2	Employees	—	—
3	Activities	0.8	0.2
4	Materials and Supplies	6.	4.
5	Equipment	—	1.
6	Direct Expenditure	0.3	0.1

Source: Durstine & Howell, page 77.

When many decisions must be faced during a short period and choices are required among alternative possibilities for expenditure reduction, program budget information can be extremely valuable. The alternative approach, frequently the only one possible using conventional budgets, is to develop information and financial estimates for each decision independently and in isolation from other school programs. Not only is this *ad hoc* process expensive and time-consuming, but it also may lead to unanticipated results since interdependencies among programs cannot be readily examined, and it is difficult to determine the combined effect of individual changes on the overall program.

The Development and Implementation of Program Budgeting

If a headmaster wants to install a program budget, how should he go about it? The two basic tasks involved in the establishment of a program budget are:

- defining the program dimensions around which financial information (budgets and expenditures) will be organized and presented; and
- establishing a set of accounting codes and procedures so that budgets and expenditures can be classified in the framework of the program dimensions chosen.

Time, cost, and frustration can be held to a minimum if these basic tasks are undertaken with realistic expectations. Fortunately, program budgeting has been implemented in enough institutions to provide some "lessons learned" to guide those who are beginning now.

Defining Program Dimensions

Implementation of program budgeting has frequently begun with the setting of institutional goals, objectives, and performance criteria. "Goal-setting" is an obvious and logical first step, but it frequently leads to failure because it is difficult, controversial, and open-ended. Opinions may differ widely as to the definition of a school's goals and their relative importance. Many schools that begins with an extensive and highly participatory goal-setting effort find themselves engaged in an endless dialogue aimed at finding the "ultimate" statement of goals and objectives. The selection of realistic and useful program dimensions for organizing financial data is postponed and frequently abandoned. Thus, while it is instructive and illuminating to discuss goals and objectives, this avenue should not be followed too far.

Program Dimensions and Accounting Realities

It is extremely important to deal with the definition of program dimensions and the development of accounting codes as inter-related tasks. To this end, we propose the following guidelines. The most important single lesson from other schools is "keep it simple." It is possible to select dimensions which would be impossible or extremely difficult to use as a basis for accounting. The faculty of one school, for example, determined that their real function was to prepare students for three roles in life: worker, citizen, and "self-fulfilling individual." However, when they attempted to use these three roles as the highest-level dimensions in their budgetary categories, they found that it required the separation of classroom time, books, and expense items on the basis of definitions that were ambiguous at best. These dimensions were eventually abandoned in favor of a more realistic academic discipline and grade level approach. One practical reminder in setting up program dimensions: each category must be defined with sufficient clarity and objectivity so that the person responsible for allocating individual items of expense can readily determine which dimension they belong in.

The second general principle is similar to the first: budget and expenditure categories must consistently reflect the real world of the school. Thus there is little to be gained from setting up subject matter budget categories in an elementary school if the teachers do not typically divide their time along these lines. Very likely they will be unable or unwilling to do so for the purpose of the budget categorization and any system of allocation that is adopted will be arbitrary and inconsistent from teacher to teacher.

The third principle is alleged by some to be theoretically unsound, but, practically speaking, is extremely important for a good start. Where possible the program budget dimensions should reflect and incorporate existing budgetary categories and administrative divisions. Thus, if current financial data is collected in part on a departmental or a divisional basis, it may be desirable to consider these groupings when selecting initial program dimensions. These will not provide the deepest penetration into the school's finances, but they begin the process on familiar grounds.

A final point relates to the use of data processing equipment. Program budgeting *per se* does not require electronic data processing equipment. Ideally, of course, it is helpful. The important relationship is between depth of analysis and sophistication of equipment. Manual processing is possible and can provide useful information at levels that will vary with the size and complexity of the school and the time and persistence of the bookkeeper or business manager. As a rule, simple and relatively inexpensive punch card processing is sufficient and was used exclusively to provide the levels of analysis shown in the Milford example. A related observation concerns bookkeeping and bill paying. One school that did not integrate its program budget with its bookkeeping system found that the only way to achieve allocation of certain materials and supplies to program budget categories was to have suppliers submit several invoices and be issued several checks for supplies used in different academic departments. One important way of avoiding this dilemma is to involve whoever handles ordering supplies and writing checks in all discussions of program dimensions.

These suggestions should not discourage the headmaster who has a clear idea of how he would like to

arrange program and financial information about his school, even if this arrangement requires difficult accounting transitions. Significant departures will require more time and effort to implement. They may also be worth it.

Planning for Program Budgeting

Unlike some administrative changes, program budgeting tends to have an impact on, and to depend upon, many people within the school organization. Faculty and staff members will need to cooperate in providing information, filling out different kinds of reports, and – hopefully – participating in examining the program and financial aspects of the school within the perspective made possible by a program budget. The headmaster must be involved far more intimately than he might be for many kinds of technical or procedural changes. In short, the development and implementation of program budgeting is a change of sufficient scope and impact to warrant careful preparation and the planned involvement of all the school's key personnel. Beyond the suggestions already made, it is possible to offer some caveats for interested headmasters.

– Count on a minimum of one to two years to achieve satisfactory development of a program budget; plan to continue the present budget during that period and for at least a year after the program budget is fully-developed. This is necessary to assure continued financial control during a period when problems and inconsistencies are almost inevitable. Many schools may continue reporting in a conventional budget format as well as a program budget format, to enable comparisons with both past years' budgets and aggregate budgetary data distributed by NAIS. The ease or difficulty of operating with both systems will depend on how different they are and the nature of the school's data processing capability. If detailed data on objects of expenditure can be coded for both budgetary frameworks and the school has access to simple punch card processing, joint operation is very simple and inexpensive. In the Milford program budget, only 30 minutes of punch card sorting was required to change the basic data from program to line-item formats.

– Tell those in the school whose approval or cooperation is needed what program budgeting is and why it is advantageous. This will certainly include trustees, faculty members, and administrators. Anticipate that reactions may include:
enthusiasm ("at last we can get a handle on what the school is really doing");
resistance ("this will constrain and systematize our free and humane climate");
skepticism ("more administrative paperwork and nit-picking – not worth it");
unexpressed anxiety (the concept of program budgeting will be threatening to some because it acknowledges and emphasizes the fact that all facets of school operation compete with one another for limited financial resources).

– If there are neighboring schools similar to your own, explore the possibility of collaborating in a program budgeting development and implementation effort. Besides joining forces in the development task itself, it may be possible through joint purchases or sharing to use an automatic data processing system that would be uneconomical individually. Furthermore, if other schools are using the same program budget format as your school, there will be opportunities to compare financial information once the system is operating.

The Decision to Adopt Program Budgeting

This report has attempted to be persuasive about the merits of program budgeting and realistic about the effort involved in developing and implementing program budgeting. The interested headmaster may decide whether or not to adopt program budgeting for his school by answering two questions:

1. How much would program budgeting be worth to me and my school?
2. How much effort, time, and cost would be involved in implementing program budgeting?

Neither these questions nor the final question, "Is it worth the effort, time and cost?" can be answered through generalization. The desires of particular headmasters and the characteristics of their schools must be taken into account. It is possible, however, to recapitulate briefly some of the major points presented in previous sections, add some specific guidelines as to who should and should not adopt program budgeting, and suggest a simple kind of exercise to gain a feeling for the value and cost of program budget implementation in your school.

The Value of Program Budgeting

A program budget serves the headmaster in his role as planner in a way that most conventional budgets, oriented narrowly toward accounting and expenditure control, are not suited to do. When the school is undergoing a transition in response to changing conditions, the availability of program budget information becomes more important.

In general, the more choices that must be made, particularly when many choices must be made during a

short period of time, the greater the value of program budgeting. Program budget data simplifies and improves analysis, and makes comparisons or trade-off's feasible when several inter-related choices are presented simultaneously. Similarly, if there is disagreement or uncertainty about the directions to be taken by a school or about the overall wisdom of its expenditures, program budgeting can provide data needed for rational and explicit discussion.

Time, Effort and Cost of Implementation

The effort and cost that will be involved in implementing program budgeting, or the amount of "trouble" and frustration entailed will depend on a number of factors:

- the relationship between the dimensions selected for the program budget and the school's existing budgetary and accounting system;
- the availability and competence of staff members to develop the program budget; and
- the support or resistance offered by school personnel to program budgeting.

Despite all the qualifications that have been made about individual differences among schools, it is reasonable to generalize that most schools in the following situations *should* adopt program budgeting:

- Financially prosperous schools that anticipate and aspire to many improvements in their programs. A program budget will be helpful in choosing and dealing with these changes. Furthermore, these schools can afford the staff or outside assistance to implement program budgeting.
- Schools that are experiencing or anticipating the pressures of diminishing financial resources, but whose survival is not in question. These schools should consider program budgeting as a means of carrying out the necessary paring of expenditures while preserving as much as possible the over-all quality and balance of their educational programs.

With the same qualifications, it is reasonable to generalize that most schools in the following situations *should not* adopt program budgeting, at least not at this time.

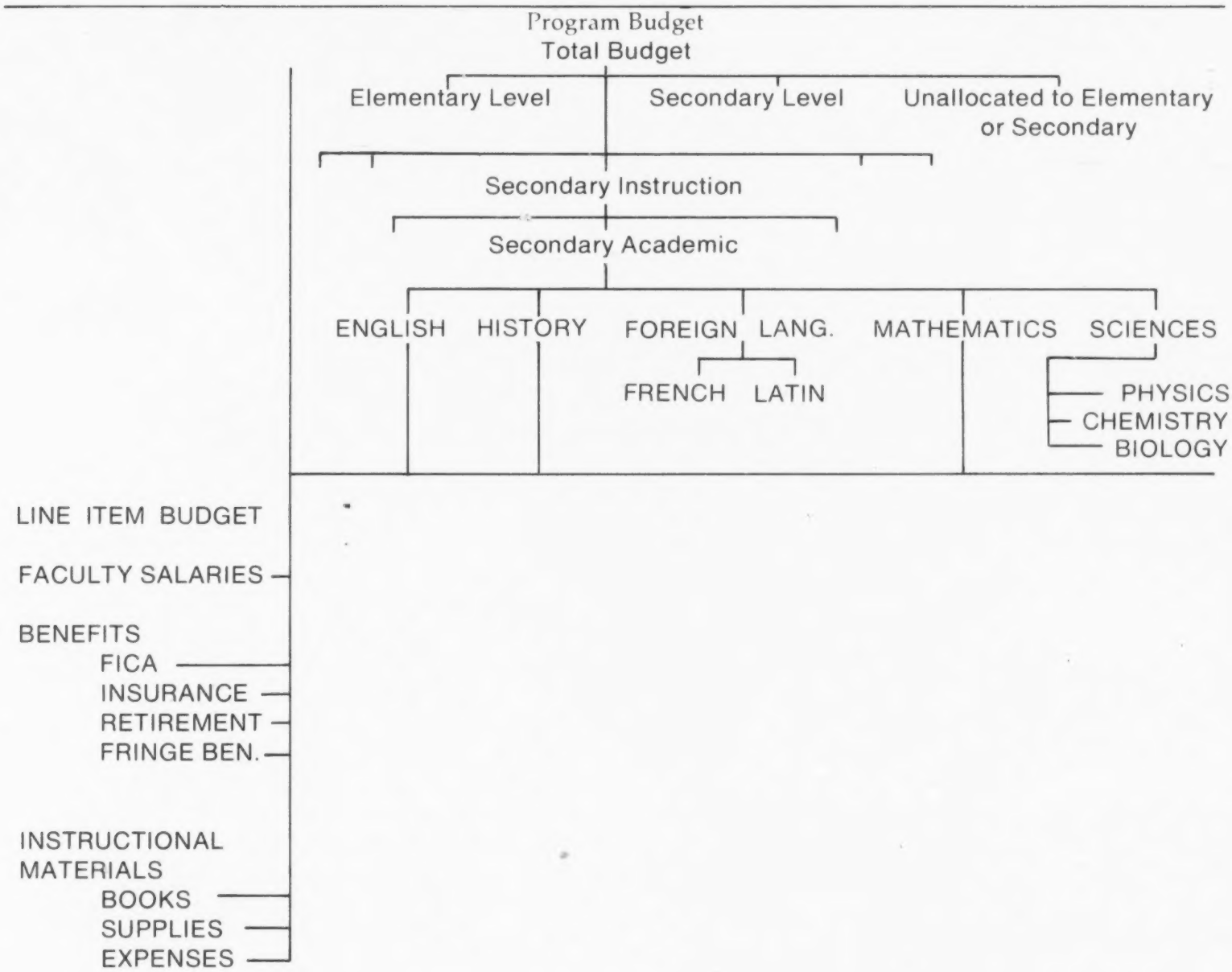
- Schools experiencing financial difficulties to the extent that their survival is in question. While program budgeting would be very useful to such schools, it does not make sense to become involved in developing and implementing a major new management system during a period of financial crisis.
- Schools that are actively considering the possibility of merging with another school. Since a merger would require compatible budgetary systems, investing in a program budget that might differ from the budget of the other school would be unwise.

An Exercise in Program Budget Implementation

One way to gain a feeling for both the value and cost of program budgeting is to try out the concept in a limited way. Select a group of academic subjects which you would like to compare and develop financial information for these subjects in program budget form. This will involve transferring conventional budget or expenditure information into program-oriented dimensions through the use of the budget itself and other information. A way of visualizing the exercise, as well as a possible worksheet format, is shown in Exhibit 8. This exhibit hypothesizes a headmaster who wishes to develop a partial program budget format for the secondary level, using program dimensions similar to those portrayed in the Milford school system example. These dimensions are placed on the horizontal axis of a matrix that has, as its vertical axis, the major line-item accounts relevant to a school's academic program. As the suggested exercise is concerned only with certain secondary course offerings, the matrix covers only those course expenditures. The task of the exercise is to transfer or allocate on reasonable grounds the line-item budget amounts (the vertical axis) for the secondary academic program to the specific courses (horizonatal axis).

The interested reader can prepare his own matrix showing his line-item accounts (if they differ) on the vertical axis, and program dimensions of his choosing on the horizontal. For illustrative purposes it may be helpful to carry this exercise a step further by examining one line item account, faculty salaries, and working through its allocation to the program format.

EXHIBIT 8



Suppose the school in question is a small one having eight full-time and one part-time faculty member, and each full-time faculty member teaches four sections (two for the part-time faculty member). All that would be required to change from the line item budget, *Faculty Salaries*, to a breakdown of faculty salaries by course program would be a schedule of faculty salaries (Exhibit 9A), the number of sections offered in each course program (Exhibit 9B), and a list of teaching assignments by faculty member (Exhibit 9C). As is shown in Exhibit 10:

- Salary per section figure is calculated for each faculty member. This figure is multiplied by the number of sections of a given course taught by the faculty member, and entered under that course heading (the calculations are simple in this hypothetical example, because 4 sections per faculty member, consisting of 2 sections each of 2 courses, were assumed).
- The entries under each course heading are then added, and the totals are the program budget faculty salaries by course.

To complete the matrix in Exhibit 8, faculty benefit accounts would be similarly allocated, and other investigations made to allocate books, supplies, and other expenses to course programs.

Further calculation would, of course, provide additional data of possible value. Course program totals could be aggregated into subject area or discipline categories, by combining French and Latin into a Foreign Languages category, and Biology, Chemistry, and Physics into a Sciences Category. Budget allocations by grade level, or by grade level and course offering, could be obtained by determining faculty assignments and course sections by grade level. Cost per section figures could be determined by dividing sections per course into total costs per course. While a partial experiment with program budget data such as this can be instructive, it should be recognized that the full benefits of program budgeting can only be achieved when resources are related to program dimensions for the entire budget.

EXHIBIT 9A

Secondary Faculty Salaries by Person

1. B. Harris	$ 8,100
2. O. Parkman	9,200
3. J. Stein	8,400
4. P. Fisher	6,800
5. T. Malard	7,800
6. M. Osterman (½ time)	4,000
7. B. Callahan	10,500
8. R. Genova	9,800
9. A. Ballard	7,700
Total – FACULTY SALARIES	$75,800

EXHIBIT 9B

Sections offered in course programs

English – 6
History – 6
Mathematics – 6
French – 6
Biology – 2
Latin – 5
Chemistry – 1
Physics – 2

Total – 34 sections

EXHIBIT 9C

Teaching Assignments by course
(2 sections each subject except where noted)

1. B. Harris	English
2. O. Parkman	Mathematics
3. J. Stein	Biology and Physics
4. P. Fisher	English and History
5. T. Malard	Mathematics and French
6. M. Osterman	Chemistry and Latin (1 section each)
7. B. Callahan	French
8. R. Genova	History
9. A. Ballard	Latin

EXHIBIT 10

ALLOCATION OF FACULTY SALARIES TO COURSE PROGRAMS

Faculty member	Salary	Salary per Section	ENGLISH * / $*	HISTORY / $	FRENCH / $	LATIN / $	MATH. / $	BIOL. / $	CHEM. / $	PHYSICS / $
Harris	$ 8,100	$2,025	4/8,100							
Parkman	9,200	2,300					4/9,200			
Stein	8,400	2,100						2/4,200		2/4,200
Fisher	6,800	1,700	2/3,400	2/3,400						
Malard	7,800	1,950			2/3,900		2/3,900			
Osterman	4,000	2,000				1/2,000			1/2,000	
Callahan	10,500	2,625			4/10,500					
Genova	9,800	2,450		4/9,800						
Ballard	7,700	1,925				4/7,700				
TOTAL	$75,800		$11,500	$13,200	$14,400	$ 9,700	$13,100	$ 4,200	$ 2,000	$ 4,200

* = number of sections

$ = faculty salary allocation based on number of sections

Working Toward and Beyond Program Budgeting

Headmasters and other school personnel whose interest in program budgeting has been stimulated by this report may wish to explore the subject further. The literature dealing with program budgeting is extensive, but it is typically discussed in the context of a larger-scale management system, the Planning, Programming, Budgeting System (PPBS). Since this report has dealt exclusively with program budgeting, it is worth noting the distinction between program budgeting and PPBS.

The four principal PPBS components are:

– explicitly defined organizational objectives and performance measures;

– systems analysis (or cost-effectiveness analysis);

– long-range or multi-year budgetary planning; and

– program budgeting.

This report has focussed exclusively on program budgeting because it is a relatively straightforward technique with considerable usefulness and does not entail some of the complexities of total PPBS. Since developing and implementing a program budget is one of several possible approaches to implementing PPBS, there is no reason why interested schools cannot move further in the future. It should be added that multi-year planning in the program budget format would be a desirable next step for independent schools, given the need for careful planning in an uncertain future.

Although most of the literature available deals with program budgeting as a component of PPBS, one pamphlet that deals largely with program budgeting and keeps PPBS well in perspective is the report of the Milford program budget development. Excerpts from this report have been provided in this report.

Durstine, Richard M., & Robert A. Howell, *Toward PPBS: Program Budgeting in a Small School District.* Newton, Massachusetts: New England School Development Council, 1970.

Public school systems in California have been mandated by state legislation to implement PPBS by the 1973-74 school year, and a state-prepared manual has been released. It may be useful to some schools.

Planning, Programming, Budgeting System Manual for State of California School Districts. Second Preliminary Edition. Sacramento, California: Advisory Commission on School District Budgeting and Accounting, Department of Education, 1970.

A book length treatment can be found in:

Hartley, Harry J., *Educational Planning-Programming-Budgeting: A Systems Approach.* Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1968.

Finally, there is a recently issued descriptive pamphlet covering PPBS in schools:

PPBS and the School: New System Promotes Efficiency, Accountability. Washington, D.C.: National School Public Relations Association, 1972.

APPENDIX A

Leadership Styles

Their Characteristics and Their Consequences in the Organization

This material has been adapted primarily from three sources:

1. Blake and Mouton, *Grid Organization Development*, Gulf Publishing Company, Houston, Texas, 1968.

2. Blake and Mouton, *The Managerial Grid*, Gulf Publishing Company, Houston, Texas, 1964.

3. "Leadership Style, Confidence in Management, and Job Satisfaction," *The Journal of Applied Behavioral Science*, Volume 6, Number 1, 1970, pp. 3-19.

The TELLS Style

Characteristics	The leader who employs this style habitually makes his own decisions and announces them to his subordinates, expecting them to carry them out without question.
Consequences	
1. Meetings with subordinates	Meetings are held for exchanging information: instructions flow down and reporting information flows up on a straight line, hierarchical basis. This type of meeting is a time saver for the leader, as he can make announcements simultaneously to several people. Reinforces the operational isolation of individuals and groups in the organization.
2. Evaluation of subordinates	The subordinate is told what his weaknesses are and what he can do to correct them. It is the subordinate's responsibility to "shape up or ship out." Under this style, lasting improvements in performance are infrequent, and subordinates tend toward behaviors that cover up or hide their weaknesses.
3. Subordinate's job satisfaction	Medium-to-low level of satisfaction.
4. Subordinate's confidence in leader	Medium level of confidence.
5. Conflict management	Win-lose conflicts are fought out, and often decided by third party judgement of the highest common administrator.
6. Impact on creativity and change	The leader can quickly make decisions about changes, but usually finds it difficult to get subordinates to execute his plans because they have little stake in those plans. Subordinates are not motivated to generate creative ideas regarding new or better ways of doing things. Creative thinking may go into devising ways of beating the system and preventing it from working well, especially when the pressure to produce is increased from the top.
7. Long-term consequences	Win-lose struggles between administration and staff are common. The The administrator's inability to cope effectively with the problems of his organization regarding internal competition and economic problems of enrollment and so on lead to more and more outside intervention and control. The most general, yet far reaching, impact is the gradual shift from a Tells to a No Particular Style.

The SELLS Style

Characteristics	The leader using this approach also makes his own decisions, but rather than simply announcing them to his subordinates he tries to persuade the latter to accept them. Recognizing the possibility of resistance on the part of those who will be faced with the decisions, he seeks to reduce this by "selling" them.
Consequences	
1. Meetings with subordinates	Committees or Task Forces are relied on almost exclusively. Opportunity is given for participation in discussions without giving away authority. Sometimes this approach elicits useful ideas. Sometimes it is used as a subtle way to avoid responsibility for and negative reactions to solo decisions. The assignment of tasks without authority usually engenders low commitment from those assigned or volunteering to do the work.
2. Evaluation of subordinates	The leader usually points out some of the subordinate's strong points, then weak points, and then the remainder of his strong points. Interviews close on a note of praise and encouragement in such a way to compensate discouragement that may be felt over weaknesses. The net effect is for subordinate to overlook weaknesses and not improve.

3. Subordinate's job satisfaction	Medium level of satisfaction.
4. Subordinate's confidence in leader	High level of confidence.
5. Conflict management	Compromise, bargaining, and middle ground positions are accepted so that no one wins — nor does anyone lose. Accommodations and adjustment lead to "workable" rather than best solutions.
6. Impact on creativity and change	Creativity is valued, but is not likely to be applied toward substantial improvements in the organization. Traditions and established practices are likely to insure maintenance of the status quo. Ideas from subordinates are generally not followed through.
7. Long-term consequences	This orientation provides a poor basis for promoting innovation, creativity, discovery, and novelty. All these are likely to be sacrificed by an adherence to tradition and "majority" standards of conduct. A gradual, long-term slipping behind occurs as more movable, progressive schools take advantage of new opportunities and of better management practices.

The CONSULTS Style

Characteristics	Where the leader uses this style he does not make his decision until he has presented the problem to members of the group and listened to their advice and suggestions. The decision is still his, but he does not make it until after he has consulted his staff.
Consequences	
1. Meetings with subordinates	Teams and Individuals alone are way of communicating or organizing for work. With team management, the leader involves all of his subordinates when a decision needs to be made. This leads to each person assuming responsibility for the whole task, even though each person has a specialized role in accomplishing that task. Administrator-teacher pairs interact to plan under each person's specific area of responsibility, with high cooperation vertically, but less cooperation horizontally. Individuals alone will often take the initiative for some improvement in their specialty, and report on it later.
2. Evaluation of subordinates	The key to evaluation of subordinates is the concept of goal setting. Leader and subordinate jointly evaluate the subordinate's present level of performance and set mutually agreed upon goals for improvement. The leader assumes the role of helper in diagnosing, planning, and following up to improve performance.
3. Subordinate's job satisfaction	High level of satisfaction.
4. Subordinate's confidence in leader	High level of confidence.
5. Conflict management	Valid problem solving where alternative points of view are objectively evaluated against facts; emotions, reservations and doubts are examined and worked through.
6. Impact on creativity and change	The application of creativity to organizational problems is high. The leader is likely to be known as an innovator and experimenter and he seeks good ideas from others. Work activities and conflict stimulate new ways of looking at problems. Many people in the organization participate in problem solving and in implementing solutions.
7. Long-term consequences	This is the newest of styles, and the long-term consequences still remain to be seen. However, a decade of experience indicates that it results in a long-term, sustained growth and improvement for the organization and its members. There is a highly-effective utilization of team action, where many members of the organization develop a stake in a common purpose.

The JOINS Style

Characteristics	This approach to leadership involves delegating to the group (which includes the leader himself as a member) the right to make decisions. The leader's function is to define the problem and to indicate limits within which the decision must be made. Normally the decision will reflect majority opinion in the group once the problem has been freely discussed.

Consequences

1. Meetings with subordinates — Informal groups and meetings are likely to go overboard for groupness, not to achieve work purposes, but for sociability. Thoughts and ideas are shared in a non-critical way. Conformity has a high value, promoting the status quo and resisting innovation and change.

3. Subordinate's job satisfaction — Medium level of satisfaction.

4. Subordinate's confidence in leader — Medium-to-low level of confidence.

5. Conflict management — Disagreements are smoothed over or ignored in order to maintain surface harmony in a state of peaceful coexistence.

6. Impact on creativity and change — The leader's inclination toward creativity is low, as he is likely to avoid and prevent the conditions that produce disagreement and an uncomfortable pace. A "pseudo-creativity" can appear where individuals respond favorably to changes, fashions and fads, once others have begun to do so, due to the high value placed on acceptance by others.

7. Long-term consequences — A surface harmony in human relations covers up and obscures poor performances, leading to sub-standard quality of work. This organization is not productive or adaptive, and contains the seeds of its own demise. More productive and adaptive organizations will probably overtake them.

No Particular Style

Characteristics — The leader in this category may (1) have a distinctive leadership style but one which does not fall under any of the descriptions given, (2) have no style at all in the sense that his subordinates do not know what to expect of him, or (3) vary his style from one situation to another in what appears to his subordinates as a caprecious manner. The leader in this category is generally regarded by his subordinates as weak, indecisive, and inconsistent as well as lacking in human relations skills.

Consequences

1. Meetings with subordinates — Regularly scheduled meetings regarding required work, contracts, or rules of the organization. The leader remains largely passive, non-responsive and uninvolved in these meetings. Makes subordinates feel uncomfortable, and subordinates avoid the leader and go their own ways. As a consequence individuals and groups tend to work in isolation.

2. Evaluation of subordinates — Evaluation, if attended to at all, is treated as a matter of policy. Evaluation forms or interviews may be completed on a periodic basis. Little thought goes into the ratings. Administrators are careful not to draw attention to themselves or their subordinates with high or low ratings — everyone is rated just about average. Improvement is left to chance.

3. Subordinate's job satisfaction — Low level of satisfaction.

4. Subordinate's confidence in leader — Low level of confidence.

5. Conflict management — Withdrawal behind walls of insulation relieves the necessity for dealing with situations that would arouse conflict.

6. Impact on creativity and change — Creativity where present is usually applied toward self-preservation in the school, with active, creative interests pursued outside of that organization; in community life, through hobbies, in families. Subordinates who offer creative suggestions for improvement of the organization find their efforts stifled.

7. Long-term consequences — The individuals in the school accept its eventual decline. Individuals withdraw from participation to the degree that even criticism no longer carries a sting. People are rarely fired. What potential does exist in the organization is usually wasted.

APPENDIX B

A Check-list for Process Observers

This check-list is designed to help process observers record and feed back their observations to the group they are working with.

Group Meeting _____

Name _____

Date _____

Communication Skills:

1. Listening.

Poor 1 2 3 4 5 6 7 *Good*

People do not listen to each other, cut each off.

People listen carefully even to those they disagree with.

2. Responding.

Poor 1 2 3 4 5 6 7 *Good*

People do not respond to each other.

People respond and build upon previous remarks.

Communication Pattern:

3. Direction (Is the conversation one-to-one, one to group, all through the leader, etc.?)

4. Content (Is the conversation mainly impersonal? Is there any discussion of how the members of the group or others feel?)

Roles of Participants:

5. Record the names of the people who play the following roles:

Evaluator: The people who pass judgement on the ideas of others.

_____

_____

Harmonizer: The people who try to smooth over any conflict.

_____

_____

Gatekeeper: The people who try to make sure others do not get cut off or get a chance to have their say.

_____

_____

Follower: The people who are generally eager to agree with other people's ideas.

_____

_____

Blocker: The people who can be counted on to challenge others' facts and ideas and who may prevent the group from coming to closure.

_____

_____

Recognition Seeker: The banterer who simply wants attention.

_____

_____

Dominator: The people who want to occupy center stage no matter what the issue and who regularly put others down.

_____

_____

6. Leadership Style: (see Appendix A for a description of each style and note which style the leader seems to use.)

Tells _____

Sells _____

Consults _____

Joins _____

No Particular Style _____

7. Leadership Effect: (Note the actual effects, not what Appendix A says they will be.)

Eager participation _____

Low commitment _____

Resisting _____

Lack of enthusiasm _____

Holding back _____

Climate:

8. Cohesiveness

Poor 1 2 3 4 5 6 7 *Good*

Low morale, little team effort.

Members help each other and and see the team or committee as an effective work group.

Agenda:

9. Explicitness: (Was a written agenda discussed and altered where desirable?)

10. Commitment to Agenda: (did individuals actually work on the items laid out in the agenda?)

Situation:

11. Group size: _____

12. Time limit: _____ (Was a time limit for the meeting discussed?)

Observer Reaction:

13. Hunches, speculations, ideas about the meeting observed:

14. Recommendations:

APPENDIX C

Student/Faculty Ratio and Balanced Budgets

The greatest source of income in a school's budget is tuition (75% in Boarding Schools and 85% in Day Schools). Faculty salaries are its greatest expense (approximately 25% in Boarding Schools and 50% in Day Schools). The volume in each case depends on numbers; and it is in the optimum balance of these numbers — student/faculty ratio, lies the key to effectiveness — financial and educational. What this optimum balance is we do not know. But the following tables taken from Cartwright and Woodbine budgets illustrate the financial impact of student/faculty ratios on a school. In another year we hope to learn more about the educational impact.

The first two tables show the direct relationship between increased student/faculty ratio and tuition income when tuition level is held constant, and enrollment is increased. One unit of student/faculty increase (10.3 to 11.3 Cartwright and 7.5 to 8.5 Woodbine) increases tuition income 8.57% ($56,580) and 13.3% ($329,400) respectively.

Cartwright

ENROLLMENT	FACULTY	S/F RATIO	AVERAGE TUITION	TOTAL TUITION INCOME	TUITION INCOME INCREASE	AVERAGE FACULTY SALARY
350	34	10.3	$1886	$660,100		$8,040
360	34	10.6	1886	678,960	$18,860	8,040
370	34	10.9	1886	697,820	18,860	8,040
380	34	11.3	1886	716,680	18,860	8,040
					TOTAL 56,580 8.57%	

Woodbine

ENROLLMENT	FACULTY	S/F RATIO	AVERAGE TUITION	TOTAL TUITION INCOME	TUITION INCOME INCREASE	AVERAGE FACULTY SALARY
450	60	7.5	$3,100	$2,470,500		$9,922
474	60	7.9	3,100	2,602,260	$131,760	9,922
498	60	8.3	3,100	2,734,020	131,760	9,922
510	60	8.5	3,100	2,799,900	165,880	9,922
					TOTAL 329,400 13.3%	

The next two tables illustrate the inverse effect of reducing total faculty costs but maintaining individual averages by increasing student/faculty ratios and holding enrollment constant. An increase of one unit of ratio reduces faculty expense by 8.9% ($24,120) at Cartwright and 11.6% ($69,484) at Woodbine.

Cartwright

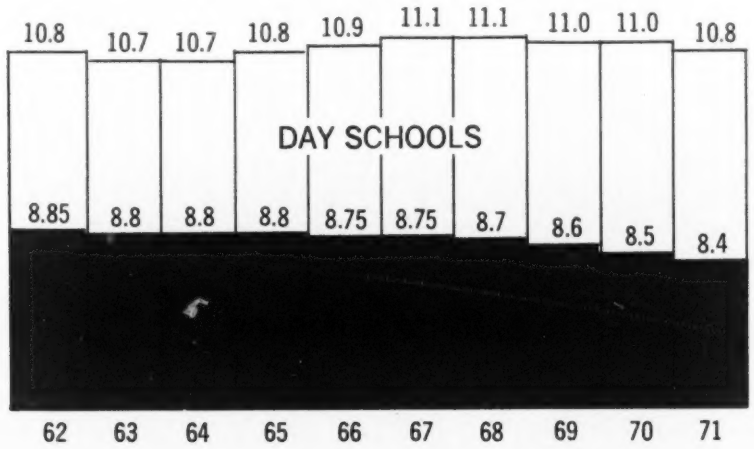
ENROLLMENT	FACULTY	S/F RATIO	AVERAGE SALARY	TOTAL SALARIES	REDUCTION SALARY EXPENSE	PER STUDENT COST FACULTY SALARY
350	34	10.3	$8,040	$273,350		$781
350	33	10.6	8,040	265,320	$ 8,040	758
350	32	10.9	8,040	257,280	8,040	738
350	31	11.3	8,040	249,240	8,040	712
					TOTAL 24,120 8.9%	

Woodbine

ENROLLMENT	FACULTY	S/F RATIO	AVERAGE SALARY	TOTAL SALARIES	REDUCTION SALARY EXPENSE	PER STUDENT COST FACULTY SALARY
450	60	7.5	$9,922	$595,250		$1,323
450	57	7.9	9,922	565,554	$29,796	1,257
450	54	8.3	9,922	535,788	29,766	1,191
450	53	8.5	9,922	525,866	9,922	1,168
					TOTAL 69,484 11.6%	

With this knowledge of the financial impact of student/faculty ratio on budget, you might be interested in the trends of these ratios in NAIS member schools over the past ten years.

STUDENT-FACULTY RATIOS



Student – Faculty Ratio And Workloads[1]

	23 DAY SCHOOLS					14 BOARDING SCHOOLS			
	Girls	Boys	Coed.	Elementary	Average	Girls	Boys	Coed.	Average
Student-Faculty Ratio	9.5	11.2	10.1	11	10.45	7.3	9.2	10.1	8.86
Scheduled Hours[2]	4.7	4.4	4.6	5.3	4.75	3.9	3.9	3.9	3.9
Student Responsibility[3]	44	68	55	uncertain	55.6	34	47	52	44.3
Number of Schools Reporting	3	6	8	6	Total 23	5	5	4	Total 14

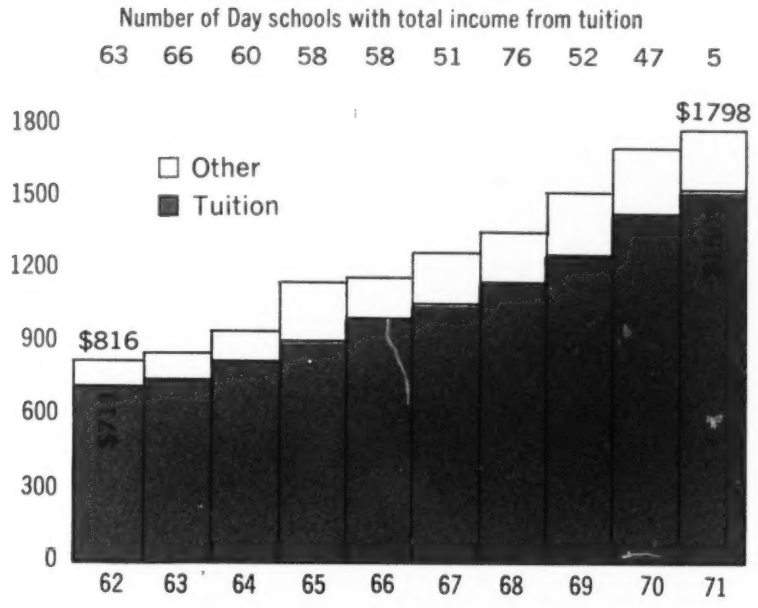
1. *Workload.* The workload standards reported are for full time academic or classroom faculty only. Faculty involved primarily in the Arts, (Music, Drama, Art, etc.) and in Physical Education are not included.

2. *Scheduled Hours* are defined as the average number of scheduled group or individual periods or commitments (not clock hours) a full time teacher is expected to meet. These might include special help sessions (group or individual) and study periods, as well as classroom instruction. Extra-curricular duties are not included. Schools with modular scheduling found difficulty in setting scheduled hour standards.

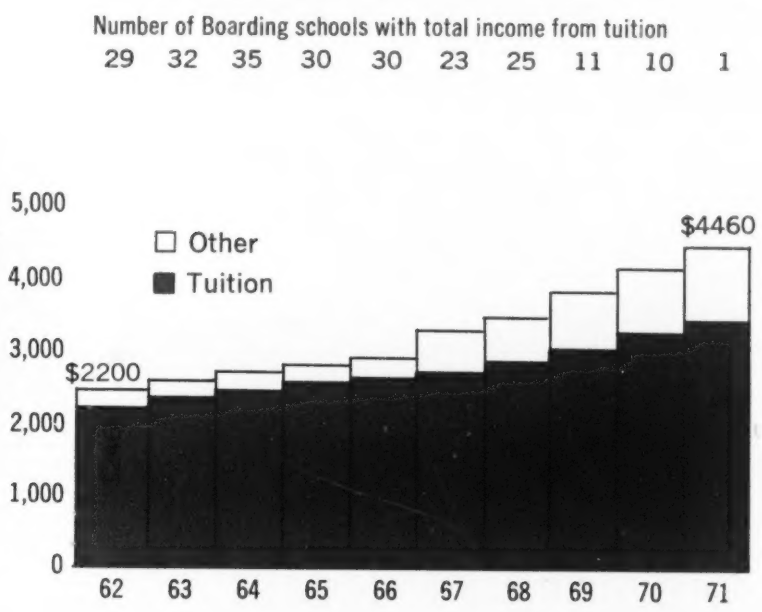
3. *Student Responsibility.* The average number of students a full time faculty member is responsible for on a daily basis. Elementary schools were generally less able to determine this.

INCOME TRENDS

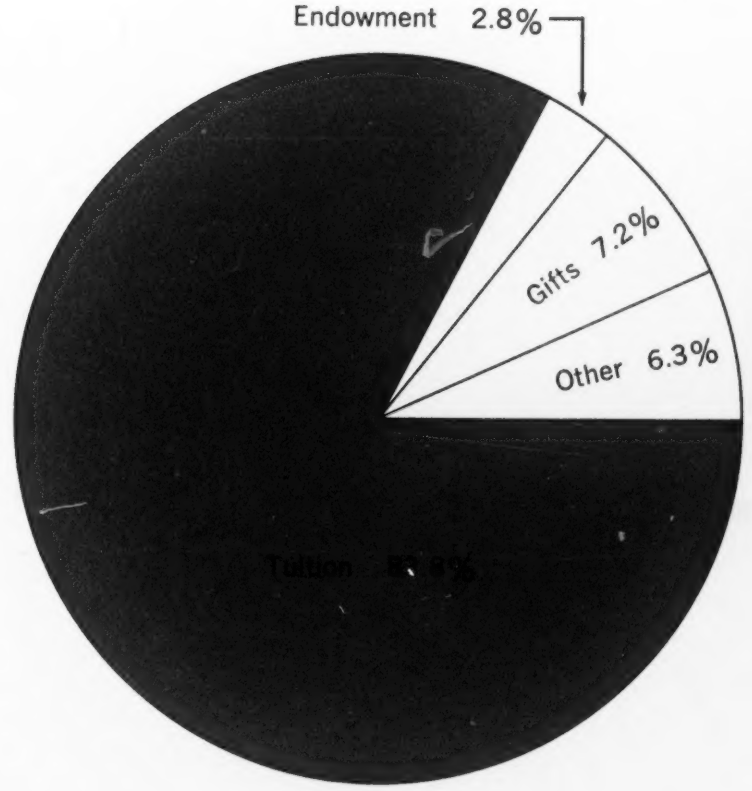
N.A.I.S. DAY SCHOOL INCOME



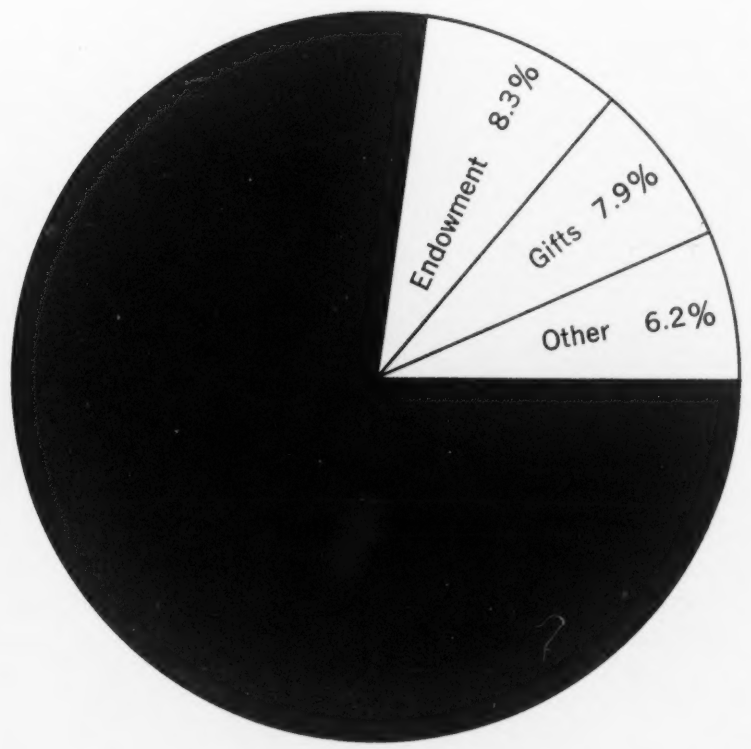
N.A.I.S. BOARDING SCHOOL INCOME



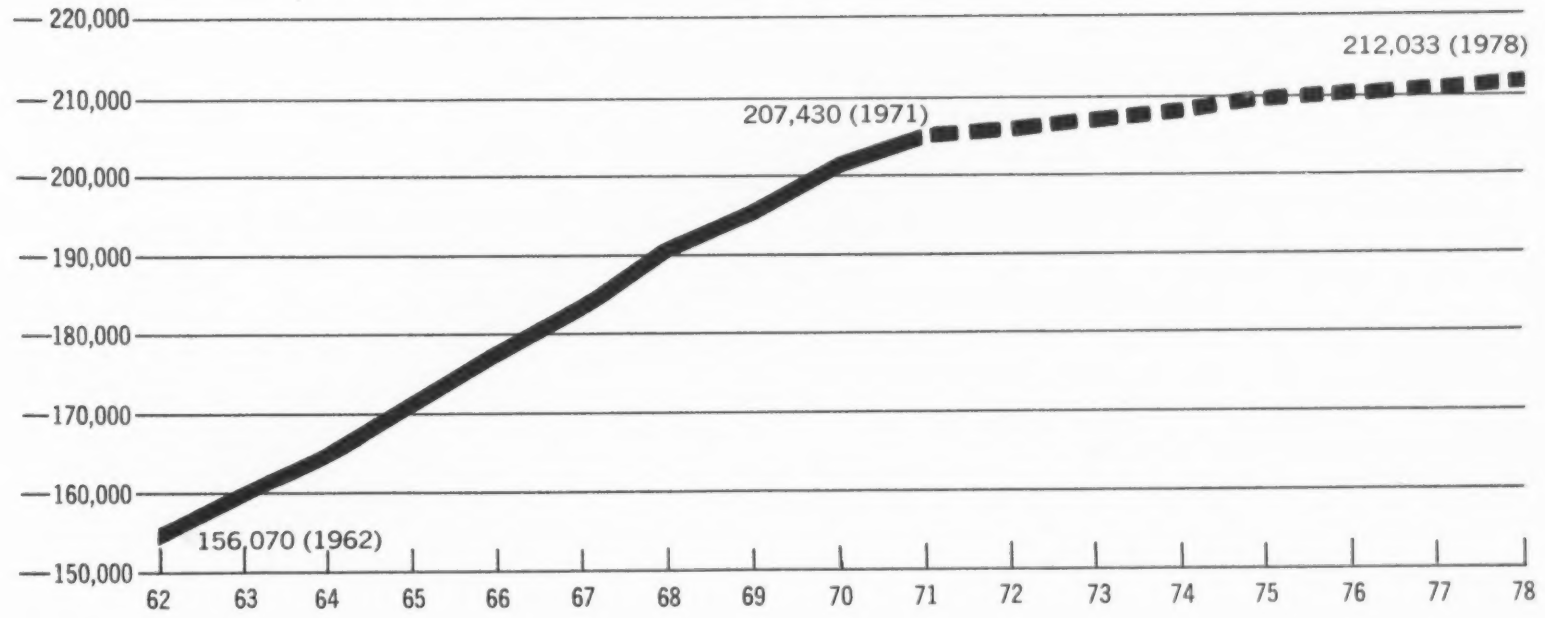
INCOME SOURCES



DAY SCHOOLS



BOARDING SCHOOLS



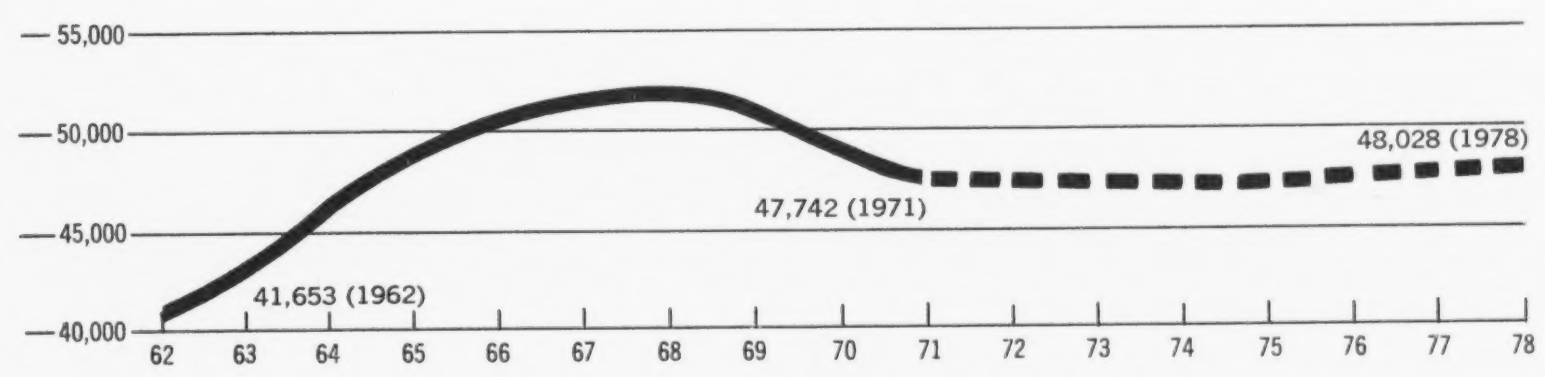
Enrollment trends from 1962 to 1972 are based on the annual reports from NAIS.

Enrollment projections are based on school age population forecasts reported by the National Center for Educational Statistics, Office of Education, 1969 report. The growth of this population has paralled NAIS enrollment growth over the past ten years, and the projections to 1978 assume the parallel will continue.

Day School enrollments are expected to continue a modest but steady increase through 1978.

The rate of decline in Boarding School enrollment is slowing down, and appears to be approaching a leveling point by 1974 or 1975. Increased numbers of 14-17 year olds may help in this. So may the attraction of coeducation.

As 14-17 year olds are increasing in number, 9-13 year olds are declining. Some elementary schools are already feeling the effects of this. Others may in the future.



ENROLLMENT: BOARDING SCHOOLS